PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

268. By Mr. BEAMER: Petition of Members of Post N, Travelers Protective Association, opposing Federal increase in gasoline taxes; to the Committee on Ways and Means.

269. By Mr. SADLAK: Petition of American citizens of Greenwich, Conn., having no objection to paying a fair share of the cost of protecting our Nation and our American way of life, but opposing all nonessential expenditures. Also expressing resentment to an increase in income taxes while business profits of cooperatives and mutual corporations are exempted from Federal income taxes. Urging enactment of legislation to tax the untaxed prior to increasing personal income taxes again; to the Committee on Ways and Means.

270. By the SPEAKER: Petition of Dr. Warren T. Brown, president of the Texas Society for Mental Health, Austin, Tex., relative to the President's budget to Congress involving a cut in mental health funds; to the Committee on Appropriations.

271. Also, petition of Charles C. Swanson, clerk, Minneapolis, Minn., relative to opposing location of United States Air Force Base at Wold-Chamberlain Field; to the Committee on Armed Services.

272. By Mr. GOODWIN: Petition of David J. Stone, R. N., and others, favoring H. R. 911 and S. 661, to authorize commissions in the military services of nursing for qualified graduate male nurses; to the Committee on Armed Services.

273. Also, proposal of H. E. Harris & Co. (Boston, Mass.) protesting any increase in third and fourth class postal rates; to the Committee on Post Office and Civil Service.

274. Also, proposals of Everett (Mass.) Motor Sales and Service Co.; Moye Chevrolet Co., Inc. (Newton, Mass.); Granite Chevrolet Co., Inc. (Quincy, Mass.); and Massachusetts State Automobile Dealers Association protesting increase in automotive excise taxes; to the Committee on Ways and Means.

SENATE

MONDAY, MAY 7, 1951

(Legislative day of Wednesday, May 2, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Most merciful God, the strength of our weakness, the refuge of our weariness, the Good Shepherd of our waywardness: As we front the clamant duties of this new week we come beseeching that Thou wilt steady our spirits with the realization of untapped power available to servants of Thy will, if only they go quietly and confidently about their appointed tasks. As those into whose unworthy hands has been placed the crying needs of stricken humanity, may the thoughts of our minds and the sympathies of our hearts and the words of our lips and the decisions of our deliberations be acceptable in Thy sight, O Lord, our strength and our Redeemer.

Save us from a cynical pessimism by the radiant belief that this evil time is not the end of history, nor is Thy hand shortened that it cannot save. Knowing that out of the travail of many a violent age a great birth has come, by Thy providence keep our faith steady lest for the lack of it we lose what Thou dost intend in this prophetic day. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 4, 1951, was dispensed with.

LEAVE OF ABSENCE

On request of Mr. MCFARLAND, and by unanimous consent, Mr. MCCARRAN was excused from attendance on the sessions of the Senate beginning today and continuing for the next 10 days, on official business.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Committee on Banking and Currency may be permitted to hold hearings this afternoon and on subsequent days in order to make some progress on the consideration of amendments to the Defense Production Act, which are now before the committee.

Mr. LANGER. Mr. President, I object. I have no objection to permitting the committee to meet this afternoon, and I would have no objection to similar requests being made from day to day, but I do not think we should agree to a request covering an indefinite period.

Mr. MAYBANK. Very well. I make my request for this afternoon only. Mr. Wilson and Mr. Sawyer are to appear before the committee this afternoon. I ask that the committee be authorized to meet this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed a bill (H. R. 3880) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF INTERIOR (S. DOC. NO. 38)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of $3,672,000, for the Department of the Interior, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

RELIEF OF CERTAIN AUTHORIZED CERTIFYING OFFICERS

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize relief of authorized certifying officers from exceptions taken to payments pertaining to terminated war agencies in liquidation by the Department of State (with an accompanying paper); to the Committee on the Judiciary.

REPORT ON CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE, UNITED STATES AND MEXICO

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of March 1951 (with an accompanying report); to the Committee on Agriculture and Forestry.

FRANCHISES ENACTED BY PUBLIC SERVICE COMMISSION OF PUERTO RICO

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of franchises enacted by the Public Service Commission of Puerto Rico (with accompanying papers); to the Committee on Interior and Insular Affairs.

GRANTS FOR DEVELOPMENT OF CERTAIN CLASS IV AND LARGER AIRPORTS

A letter from the Acting Secretary of Commerce, requesting, pursuant to law, authority to make grants for the development and improvement of certain class IV and larger airports, which, in his opinion, should be undertaken during the fiscal year 1952 (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPEAL OF CERTAIN GOVERNMENT PROPERTY LAWS

A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend or repeal certain Government property laws, and for other purposes (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

REPORT ON CONTRACT SETTLEMENT

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, the twenty-seventh quarterly report on contract settlement, for the period January 1 through March 31, 1951 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Appropriations:

"Senate Concurrent Resolution 40

"Concurrent resolution extending appreciation to Congress of the United States, Secretary of Agriculture, Bureau of Entomology and Plant Quarantine for splendid assistance rendered to Hawaii in appropriating funds for study and control of oriental fruitfly pest

"Whereas the Twenty-fifth Legislature of the Territory of Hawaii, did request the Congress of the United States to appropriate funds for the study and control of the oriental fruitfly pest in Hawaii through House Concurrent Resolution No. 34; and

"Whereas the Bureau of Entomology and Plant Quarantine, Unted States Department of Agriculture, did initiate a major project

on this subject in cooperation with other agencies in 1949 with appropriations authorized by the Congress in H. R. 3997; and

"Whereas the results accomplished to date by this cooperative project have resulted in a material reduction in oriental fruitfly populations in Hawaii and has developed information on its control which will be of continuing value for Hawaii and the mainland United States, should these pests gain entry there: Now, therefore, be it

"Resolved by the Senate of the Twenty-sixth Legislature of the Territory of Hawaii (the House of Representatives concurring), That the people of Hawaii wish to extend their appreciation to the Congress of the United States, the Secretary of Agriculture and the Bureau of Entomology and Plant Quarantine, for the splendid assistance which has been rendered the Territory of Hawaii in meeting this problem and the excellent manner in which it has been executed; and be it further

"Resolved, That certified copies of this concurrent resolution be forwarded to the President of the Senate of the United States Congress, the Speaker of the House of Representatives of the United States, the Secretary of Agriculture, the Chief of the Bureau of Entomology and Plant Quarantine, and, the Delegate to Congress from Hawaii."

A resolution adopted by the City Council of the City of Minneapolis, Minn., favoring continuation of appropriations for Upper River Harbor, at Minneapolis, Minn.; to the Committee on Appropriations.

A resolution adopted by the City Council of the City of Minneapolis, Minn., protesting against the location of a United States Air Force Base at Wold-Chamberlain Field; to the Committee on Armed Services.

A resolution adopted by the members of the Baptist Church of Chiles, Kans., relating to the diversion of grains and fruits now used for the manufacture of all distilled beverages to the manufacture of food and food products; to the Committee on Banking and Currency.

A letter in the nature of a petition from the Universal African Nationalist Movement, Inc., New York, N. Y., signed by Benjamin Gibbons, president, praying for the enactment of Senate bill 389, to provide aid to persons in the United States desirous of migrating to the Republic of Liberia (with accompanying papers); to the Committee on Foreign Relations.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAFT:

S. 1433. A bill for the relief of Malica Macesich; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 1434. A bill for the relief of Michele Mario Paolo Magaudda; and

S. 1435. A bill for the relief of Richard A. Kurth; to the Committee on the Judiciary.

By Mr. CAIN:

S. 1436. A bill for the relief of Mrs. Marie Y. Mueller; to the Committee on the Judiciary.

By Mr. KNOWLAND:

S. 1437. A bill for the relief of Maiku Suzuki; to the Committee on the Judiciary.

By Mr. SMITH of North Carolina (for Mr. MCCARRAN (by request)):

S. 1438. A bill for the relief of Paul D. Banning, Chief Disbursing Officer, Treasury Department, and for other purposes; and

S. 1439. A bill to amend title VI of the Espionage Act of 1917, as amended; to the Committee on the Judiciary.

By Mr. RUSSELL (by request):

S. 1440. A bill to exclude certain teachers, policemen, and firemen in the service of the Panama Canal from the Federal Employees Pay Act of 1945; and

S. 1441. A bill to authorize certain easements, and for other purposes; to the Committee on Armed Services.

S. 1442. A bill for the relief of Marie Louise Dewulf Maquet; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 1443. A bill for the relief of Rev. Thomas K. Seawall; to the Committee on the Judiciary.

PRINTING OF HEARINGS RELATING TO MILITARY SITUATION IN FAR EAST

Mr. RUSSELL submitted the following resolution (S. Res. 138), which was referred to the Committee on Rules and Administration:

Resolved, That 2,000 additional copies of part 1 and of each subsequent part of the joint hearings held before the Committee on Armed Services and the Committee on Foreign Relations, relative to the Military Situation in the Far East, be printed for the use of said committees.

SUPPLEMENTAL APPROPRIATIONS, 1951—AMENDMENT

Mr. KNOWLAND submitted an amendment intended to be proposed by him to the bill (H. R. 3587) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 3880) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

SUSPENSION OF APPLICATION OF CERTAIN FEDERAL LAWS RELATING TO EMPLOYMENT OF ATTORNEY BY COMMITTEE ON RULES AND ADMINISTRATION—MOTION TO RECONSIDER VOTE

Mr. FERGUSON. Mr. President, I enter a motion to reconsider the vote on the passage of the joint resolution (S. J. Res. 70) to suspend the application of certain Federal laws with respect to an attorney employed by the Senate Committee on Rules and Administration.

The VICE PRESIDENT. The motion will be entered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. IVES:

Addresses delivered by him and by Senator JOHNSON of Colorado at the celebration of the third anniversary of the founding of the State of Israel, at Carnegie Hall, New York City, on May 6, 1951.

By Mr. WILEY:

A statement prepared by him and two editorials from the Milwaukee Journal regarding increases in natural gas rates imposed on the people of Wisconsin.

By Mr. CARLSON:

Editorial entitled "MacArthur Before Congress," written by Rolland Peters, editor of the Pratt (Kans.) Daily Tribune.

By Mr. HOEY:

Essay entitled "Equal Opportunity in Employment for the Physically Handicapped," by George Kosciusko Weaver, winner of second prize in contest conducted by the President's Committee on National Employ the Physically Handicapped.

By Mr. HILL:

Editorial entitled "Good Beginning," from the Washington Post of May 7, 1951, relating to the appearance of General MacArthur before the Committees on Armed Services and Foreign Relations.

By Mr. NEELY (for Mr. CHAVEZ):

Editorial entitled "What About Slave Labor in United States?" published in the United Mine Workers Journal of April 1, 1951.

By Mr. BENTON:

An editorial entitled "The MacArthur Ouster," from the April 21, 1951, issue of America, and an editorial entitled "No End in Sight?" from the April 27, 1951, issue of the Commonweal.

By Mr. BENTON:

An article entitled "Basic Issues Obscured," written by Mr. Hansen W. Baldwin and published in the New York Times of Monday, May 7, 1951; an editorial entitled "The Basic Disagreements," published in the New York Times of May 5, 1951; and an editorial entitled "Who Is the Enemy?" published in the Washington Post of May 7, 1951, dealing with the MacArthur controversy.

By Mr. UNDERWOOD:

Letter from Mrs. Sallie Steele Taylor emphasizing the power of faith in solving the problems of the United States.

By Mr. MCCARTHY:

Articles relating to the appearance of Gen. Douglas MacArthur before Senate Committees on Armed Services and Foreign Relations, the first entitled "MacArthur and the True Picture," by David Lawrence, the second entitled "Shows No Signs of Fading Away," by Constantine Brown, both published in the Washington Star, May 7, 1951.

By Mr. HUMPHREY:

Sermon entitled "Lazarus at America's Gate," delivered by Rev. Leland Stark, rector of the Church of the Epiphany, Washington, D. C., on Sunday, April 29, 1951, with reference to the proposal to ship wheat to India.

By Mr. HUMPHREY:

Editorial reprinted from the Binghamton (N. Y.) Sun, paying tribute to Senator ESTES KEFAUVER, of Tennessee.

By Mr. JOHNSON of Colorado:

Essay on the subject Equal Opportunity in Employment for the Physically Handicapped, by Miss Sylvia Doyle, Colorado winner in the essay contest, the subject being Equal Opportunity in Employment for the Physically Handicapped.

CONDUCT OF OFFICE OF COLLECTOR OF INTERNAL REVENUE, ST. LOUIS, MO.

The VICE PRESIDENT. Under the unanimous-consent agreement entered into on Friday, the Senator from Delaware [Mr. WILLIAMS] is entitled to the floor, and he is recognized.

Mr. WHERRY. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. WHERRY. Will the Senator yield so that I may suggest the absence of a quorum?

Mr. WILLIAMS. I shall be glad to yield for that purpose, with the understanding that I do not thereby lose the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHERRY. Mr. President, there are quite a number of committee hearings in progress, and the Senate has already granted permission that they may continue. So I think there is no point in continuing the quorum call, unless some Senator insists upon it. I therefore ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with, so that the Senator from Delaware may proceed. As I understand, he intends to use all the time until 2 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I wish to speak at this time on conditions existing in the office of the collector of internal revenue in St. Louis, Mo., and especially the conduct of the collector, James Finnegan.

Several weeks ago I called to the attention of the Senate the deplorable conditions existing in certain offices of the collectors of internal revenue and suggested that the Secretary of the Treasury should take prompt corrective action.

The Kefauver committee in their recent report likewise denounced the Treasury Department for their laxity in enforcing the tax laws against the racketeers and criminals and called for more aggressive steps. So far such positive steps as are necessary have not been taken.

Today I shall discuss conditions which have been allowed to exist in the tax collection district of St. Louis, Mo., while under the management of James P. Finnegan as collector.

Complaints against Mr. Finnegan, the collector in this office, were first reported to J. Edgar Hoover in April 1950, and beginning on May 3, 1950, an investigation was started.

In March 1951 complaints charging political protection in that office were called to the attention of Federal Judge George H. Moore by Robert L. Sharp, a former revenue agent in that district.

As a result of Mr. Sharp's complaint, Federal Judge Moore ordered the grand jury in St. Louis to investigate these charges, and both the Commissioner of Internal Revenue and the Department of Justice in Washington were requested to cooperate in the investigation.

This grand jury investigation resulted in a few indictments of certain taxpayers, but the report of the grand jury exonerated Collector Finnegan and his office of any improprieties.

Subsequent to that investigation, on April 4, 1951, Collector Finnegan resigned and, according to the press reports, the President accepted his resignation with extreme reluctance.

I have read the evidence which was presented to the grand jury, and I find that neither the Department of Justice nor the Treasury Department submitted to the grand jury the evidence which at that time was in their files and evidence which if presented would have represented serious charges against James P. Finnegan.

On April 11, 1951, I directed a letter to John W. Snyder, Secretary of the Treasury, in whose Department were the reports from this investigation referred to above. I congratulated him upon his removal of Mr. Finnegan, but at the same time I urged that he go further and publicly outline the reasons behind Mr. Finnegan's removal, and then I asked him to state what further action his Department contemplated.

To this letter I received a reply from Mr. Snyder dated April 21, 1951, stating that Collector Finnegan's resignation was purely voluntary and that there was nothing wrong in that office.

I disagree completely with both the Secretary of the Treasury and the Commissioner of Internal Revenue that there is nothing wrong in that office, and in view of the fact that Judge Moore has again requested the grand jury in St. Louis to reexamine this case I shall for the benefit of that grand jury and for the information of the United States Senate and the American people review some of the damaging evidence contained in the files which at this moment are in the possession of either the Treasury Department or the Department of Justice here in Washington.

The information which I am about to give to the Senate is documented in those files, and if the grand jury in St. Louis has any difficulty in obtaining those files, I shall be only too glad to forward to them the file numbers.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. WHERRY. For the RECORD, and also for my own information, I should like to ask the distinguished Senator a question. Did I correctly understand the Senator to say that the prosecutor in St. Louis called upon the Department of Justice in Washington to help present the evidence to the grand jury?

Mr. WILLIAMS. That is true and both the Department of Justice and the Treasury Department sent their representatives to St. Louis. I read a transcript of what they were supposed to have presented, and it makes no mention whatever of any improprieties on the part of James P. Finnegan.

Mr. WHERRY. So the allegations were not presented to the grand jury; is that correct?

Mr. WILLIAMS. The Senator is correct.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. TAFT. Does the Senator blame the departments here rather than the district attorney?

Mr. WILLIAMS. I do not know. I have not been able to determine whether the information went to the district attorney in St. Louis and he withheld it at that point, or whether it was withheld in Washington. The report does show that the information was in Washington during the months of January and February of this year. In fact, it was common knowledge throughout the latter part of last year. This information was in the possession of the departments at that time, aid it was stopped somewhere down the line between the departments and the grand jury.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. WHERRY. Was it in the possession of the Department of Justice in Washington?

Mr. WILLIAMS. I traced it into the possession of the Treasury Department. Whether the Treasury Department turned it over to the Department of Justice and the Department of Justice froze it, I cannot say. However, it did go to the Treasury Department in Washington with an accompanying letter addressed to the Commissioner of Internal Revenue, Mr. Schoeneman.

Mr. WHERRY. Does the Department of Justice try the cases for the Bureau of Internal Revenue?

Mr. WILLIAMS. Yes; they are transferred over to the Department of Justice. The Department of Justice sent its representatives to St. Louis to work with the district attorney in that area.

Mr. WHERRY. Was the evidence available at that time, when those designated from the Department of Justice went to St. Louis to help present this matter to the grand jury?

Mr. WILLIAMS. All the evidence I shall give today was documented and on record in Washington prior to that time.

Mr. WHERRY. I thank the Senator.

Mr. WILLIAMS. For continuity I shall discuss the conditions in that office in two phases:

First. I shall discuss how James P. Finnegan, while serving as collector of internal revenue, collected as attorney fees substantial payments from corporations who were obtaining financial assistance from the Reconstruction Finance Corporation and other Government agencies.

Second. I shall discuss how James P. Finnegan, while serving as collector of internal revenue, formed an insurance partnership with John Martin Brodsky, of St. Louis, and then furnished to Mr. Brodsky a list of taxpayers who were in tax difficulty as prospective insurance customers with the understanding that he would get a cut of the premiums.

The first letter I wish to read from these files is dated June 5, 1950. It is written on the stationery of Walter H. Wolfner, St. Louis. It is addressed to James P. Finnegan, St. Louis, Mo., and reads as follows:

ST. LOUIS, MO., *June 5, 1950.*

MR. JAMES P. FINNEGAN,
St. Louis, Mo.

DEAR JIM: This letter is to certify that the checks I paid you in the sum of $6,875 in 1948 was one-half of the amount I received from the St. Louis Browns for arranging a loan for that company, after the sale of the club fell through.

This amount was paid to you as attorney fees, as both Mr. Richard Muckerman and the writer both felt you were entitled to same for the time and effort in behalf of the St. Louis Browns, put in by you.

Best regards,

WALTER H. S. WOLFNER.

The first paragraph of this letter refers to a payment of $6,875 to James P. Finnegan for his time and effort in obtaining a loan for the St. Louis Browns, while in the second paragraph the writer

indicates that this payment was endorsed and approved by Mr. Richard Muckerman.

$350,000 LOAN (RFC GUARANTEE) REL INVESTMENT CO. (OWNERS OF THE ST. LOUIS BROWNS)

To ascertain to which loan this letter might have reference, I checked with the RFC and other agencies and found that there were two loans to the baseball group in that city. The first loan of $350,000 was to the Rel Investment Co., St. Louis, Mo., of which company Richard Muckerman was the principal stockholder. This company owns the St. Louis Browns. They obtained the loan of $350,000 on June 6, 1946, through the Manufacturers Trust Co. of St. Louis. This loan was arranged under a blanket participation agreement with the Reconstruction Finance Corporation which is in effect an RFC guarantee.

As collateral the bank reported 155,368 shares of the American League Baseball Co. of St. Louis common stock; a $125,000 first mortgage secured by the property at 520 DeBaliviere Avenue (Winter Garden); and 2,000 shares of City Ice & Fuel Co. common stock.

The officers of the Rel Investment Co. were Richard C. Muckerman, president; Richard I. C. Muckerman, vice president; and Anthony C. Ernst, secretary; with the principal stockholder reported as being Richard C. Muckerman.

$350,000 LOAN (RFC GUARANTEE) DODIER REALTY & INVESTMENT CO. (OWNERS OF ST. LOUIS BALL PARK)

The second loan to the baseball group in St. Louis was a $350,000 loan to the Dodier Realty & Investment Co., owners of the Sportmen's Park—the park used by both the St. Louis Browns and the St. Louis Cardinals.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I prefer to finish this statement, and then I will yield.

This loan, dated October 1, 1946, was arranged through the Tower Grove Bank & Trust Co., of St. Louis, under a blanket participation agreement—or guaranty—with the Reconstruction Finance Corporation.

As collateral the bank reported the loan to be secured by a first mortgage on property known as the Sportsmen's Park.

The officers of this company were James V. Dunbar, president; John E. Curby, vice president; and Marcella Whittington, secretary.

I checked with the officials of the Reconstruction Finance Corporation here in Washington and was advised that on February 11, 1949, the Reconstruction Finance Corporation was relieved of their responsibility on the first loan, and later on June 8, 1950, the agency received a letter from the Tower Grove Bank & Trust Co., relieving them of their responsibility in the second loan.

Unquestionably these are the loans to which the letter had reference and to which the payment of $6,875 was made to James P. Finnegan while serving as collector of internal revenue for his time and effort in assisting that group to arrange the loans.

Mr. McFARLAND. Will the Senator kindly state when Mr. Finnegan was appointed internal-revenue collector?

Mr. WILLIAMS. I understand it was in 1944; but anyway, at the time this transaction took place he was serving as internal-revenue collector.

Mr. McFARLAND. At the time these loans were made?

Mr. WILLIAMS. Yes.

Mr. McFARLAND. But does the Senator know whether applications for loans were made before his appointment to be internal-revenue collector?

Mr. WILLIAMS. I would say if they were I would be even more suspicious. If the applications for loans had been lying around for several years, and if they were approved after Mr. Finnegan became internal-revenue collector, I would be even more suspicious. The record shows when the loans were made in 1946. I might say that I have had a most difficult time even obtaining this information from the RFC. Apparently the RFC did not know these companies represented baseball groups at all. When I asked the RFC if they had any record of loans made to the St. Louis Browns or to any baseball groups, the answer came back repeatedly "No," until finally, after much difficulty, I was able to identify the loans. If the Senator from Arizona can cooperate to help me identify further loans, I should be glad to have him do so. As he suggests, there might be other loans which this group had received prior to this time and about which we do not even now know.

Mr. McFARLAND. I am not trying to challenge the Senator's figures.

Mr. WILLIAMS. These are not my figures. They are the figures of the agency downtown.

Mr. McFARLAND. As I understand, the Senator does not have any direct proof as to what this attorney's fee was paid for and in connection with what loan it was paid.

Mr. WILLIAMS. If the Senator wants to know if I know whether James P. Finnegan got on the train, came to Washington, and went to the RFC, the answer is "No." According to the records of the RFC, these companies secured the loans. Mr. Finnegan was paid $6,875 fee, as his half, for his cooperation in the securing of the loans. That is merely a statement of the facts from the record. The Senator can determine the matter for himself. As majority leader I think he will be interested enough to determine the facts not only in connection with this case, but in connection with all the cases, and help us secure the facts. I have certain limited time only.

Mr. McFARLAND. I want to make it plain that the Senator does not need to be talking about me in connection with determining a fact. The Senator has not determined it to be a fact that the money was paid to Mr. Finnegan for services rendered before he became collector of internal revenue or afterward.

Mr. WILLIAMS. Mr. President, the Senator from Arizona does not know what he is talking about. Let us read the letter from Mr. Finnegan, of which I have a copy.

Mr. McFARLAND. I will say the Senator from Delaware does not know what he is talking about——

Mr. WILLIAMS. Mr. President, may we have order?

Mr. McFARLAND. If he says that that letter shows——

Mr. WILLIAMS. Mr. President, may we have order?

Mr. McFARLAND. If the Senator says that letter shows——

Mr. WILLIAMS. May we determine who has the floor? I will be glad to yield to the Senator from Arizona indefinitely; and I ask unanimous consent that my time may be extended for an extra hour, in order that I may yield to Members of the Senate to enable them to ask questions or make statements to any extent they desire.

Mr. McFARLAND. Mr. President, I object to that.

Mr. WILLIAMS. Mr. President, if I may have an extension of time by unanimous consent, I shall be glad to yield to the Senator from Arizona the full hour of extra time that may be given me, if he wishes to discuss the subject at any length. I am now handicapped by reason of the time limit imposed upon me.

Mr. President, I ask unanimous consent that I may have an extra hour of time, so I may yield that extra time to the Senator from Arizona, or such time as he may want to make a statement.

Mr. McFARLAND. Mr. President, I will speak on my own time.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. Just a moment. I should like to refer back to the letter. The letter addressed to James Finnegan says:

> This letter is to certify that the check I paid you in the sum of $6,875 in 1948 was one-half of the amount I received from the St. Louis Browns for arranging a loan for that company.

The loan was in effect during the period, 1946–50. Senators can check the records to find out whether Mr. Finnegan when he came here called on the chairman of the Democratic National Committee or the President of the United States. I have not the slightest idea.

Mr. KEM. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Delaware yield to the Senator from Missouri?

Mr. WILLIAMS. I yield.

Mr. KEM. In order to complete the record, will the Senator permit me to invite his attention to title XVIII, section 281 of the United States Statutes prohibiting any United States employee from receiving compensation for services when involving controversy or other matter in which the United States is a party, and also to title XVIII, section 283 of the Statutes of the United States, which prohibits an employee of the United States from prosecuting or aiding in a presentation or support of such a claim or matter?

Mr. WILLIAMS. I have been so advised; and I thank the Senator from Missouri for putting that in the RECORD at this time.

Mr. KEM. I ask unanimous consent that the sections in full be printed in the RECORD.

There being no objection, the sections were ordered to be printed in the RECORD, as follows:

TITLE 18, SECTION 281—COMPENSATION TO MEMBERS OF CONGRESS, OFFICERS, AND OTHERS IN MATTERS AFFECTING THE GOVERNMENT

Whoever, being a Member of or Delegate to Congress, or a Resident Commissioner, either before or after he has qualified, or the head of a department, or other officer or employee of the United States or any department or agency thereof, directly or indirectly receives or agrees to receive, any compensation for any services rendered or to be rendered, either by himself or another, in relation to any proceeding, contract, claim, controversy, charge, accusation, arrest, or other matter in which the United States is a party or directly or indirectly interested, before any department, agency, court martial, officer, or any civil, military, or naval commission, shall be fined not more than $10,000 or imprisoned not more than 2 years, or both; and shall be incapable of holding any office of honor, trust, or profit under the United States.

Retired officers of the Armed Forces of the United States, while not on active duty, shall not by reason of their status as such be subject to the provisions of this section. Nothing herein shall be construed to allow any retired officer to represent any person in the sale of anything to the Government through the department in whose service he holds a retired status.

TITLE 18, SECTION 283—OFFICERS OR EMPLOYEES INTERESTED IN CLAIMS AGAINST THE GOVERNMENT

Whoever, being an officer or employee of the United States or any department or agency thereof, or of the Senate or House of Representatives, acts as an agent or attorney for prosecuting any claim against the United States, or aids or assists in the prosecution or support of any such claim otherwise than in the proper discharge of his official duties, or receives any gratuity, or any share of or interest in any such claim in consideration of assistance in the prosecution of such claim, shall be fined not more than $10,000 or imprisoned not more than 1 year, or both.

Retired officers of the Armed Forces of the United States, while not on active duty, shall not by reason of their status as such be subject to the provisions of this section. Nothing herein shall be construed to allow any such retired officer within 2 years next after his retirement to act as agent or attorney for prosecuting or assisting in the prosecution of any claim against the United States involving the department in whose service he holds a retired status, or to allow any such retired officer to act as agent or attorney for prosecuting or assisting in the prosecution of any claim against the United States involving any subject matter with which he was directly connected while he was in an active-duty status.

This section shall not apply to any person because of his membership in the National Guard of the District of Columbia nor to any person specially excepted by enactment of Congress.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Kansas.

Mr. CARLSON. Do I understand correctly from the Senator's statement that two loans of $350,000 each were made to the baseball club in St. Louis?

Mr. WILLIAMS. That is correct. One loan was made to the Rel Investment Co., listed as the owner of the St. Louis Browns, which had an RFC guaranty. The other loan was made to the Dodier Realty & Investment Co., the owners of the St. Louis ball park, and which was put up as collateral. In both loans they had an RFC guaranty.

Mr. CARLSON. It was always my contention, at least my thought, that Congress created the RFC to be of assistance to small-business men and those in need. I like baseball, but I certainly cannot conceive of the RFC investing $700,000 in a baseball team and park.

Mr. WILLIAMS. In recent weeks we have been finding a great many things in connection with the RFC that many of us cannot understand.

The second letter is dated May 23, 1946. It is on Hotel Warwick stationery, and it reads as follows:

WARWICK OPERATING CO.,
St. Louis, Mo.

GENTLEMEN: I acknowledge receipt of certificate No. 44 of the capital stock of the Warwick Operating Co. for 250 shares, issued in the name of Eve K. Finnegan—

I may say that is Mr. Finnegan's wife—

which stock was received by me as collateral security for the services hereinafter set forth.

For all of the services heretofore rendered by me in assembling all of the stock of said Warwick Operating Co. for acquisition by Saul Lichtenfeld and his associates, I am to be paid the sum of $5,000.

In addition to the above, I have agreed with him to aid him to rehabilitate the Warwick Hotel property as a first-class-hotel project; and for the 2 years to aid him in all legal matters appertaining thereto.

Upon receipt of payment for such services so to be rendered by me, during said period, to wit, an additional sum of $30,000, or if one-third of the net profits of said Warwick Operating Co. during said period shall be greater than said sums so to be received and paid to me, then I am to receive in addition the difference between the sum of $35,000 and one-third of the net profits thereof, upon receipt of which I shall cause to be surrendered said certificate No. 44 for 250 shares of stock, for cancellation.

JAMES P. FINNEGAN.

The second letter which I have just inserted is one dated May 23, 1946, signed by James P. Finnegan, addressed to the Warwick Operating Co., St. Louis, Mo. In this Mr. Finnegan acknowledges receipt of certificate No. 44, representing 250 shares of capital stock of the Warwick Operating Co., owners of Warwick Hotel, St. Louis, issued in the name of Eva K. Finnegan, his wife. The letter states that the 250 shares of stock are held as collateral security for $35,000 to be paid later for services which he had rendered Saul Lichtenfeld and his associates in obtaining control of the Warwick Operating Co. and for his future assistance in aiding that company in their legal work involved in rehabilitating the Warwick Hotel.

This letter indicates a minimum payment of $35,000, with a possible bonus of an additional $5,000 if the earnings justified.

I have checked the records to determine what assistance Mr. Finnegan, who, while serving as collector of internal revenue in St. Louis, might have rendered this corporation to merit this rather substantial payment.

I found that the Warwick Hotel was operated by the Coast Guard during the war years between January 1, 1943, and June 30, 1946, at an annual rental of $22,809. It is significant that Mr. Finnegan's arrangements with the Warwick Operating Co., owners of the hotel, were made May 23, 1946, 7 days before the hotel's release from the Coast Guard. It is indicated that prior to that time he had rendered the company services which were worth $5,000.

Following its release from the Coast Guard claims were filed by the management against the Government for damages to the hotel by the Coast Guard. I was advised that all such claims against the Coast Guard following the war were automatically referred to the Treasury Department for settlement. This is the same Department of the Government for which Mr. Finnegan was then working as collector of internal revenue.

This placed Mr. Finnegan as working on both sides of the fence—an employee of the Treasury Department while, at the same time, representing a client as attorney in a claim against the Treasury Department.

The records show that while claims were filed in excess of $100,000, a subsequent settlement of approximately $40,000 was made to the hotel operators by the Treasury Department.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. Will the Senator permit me to state for the RECORD at this point another citation from a United States statute?

Mr. WILLIAMS. I shall be glad to have the Senator do so.

Mr. KEM. Title 18, section 434, of the United States Statutes prohibits an agent of any company or partnership who is interested in its pecuniary profits from acting as an officer of the United States in the transaction of business with the United States. The section in full is as follows:

TITLE 18, SECTION 434—INTERESTED PERSONS ACTING AS GOVERNMENT AGENTS

Whoever, being an officer, agent, or member of, or directly or indirectly interested in the pecuniary profits or contracts of any corporation, joint-stock company, or association, or of any firm or partnership, or other business entity, is employed or acts as an officer or agent of the United States for the transaction of business with such business entity, shall be fined not more than $2,000 or imprisoned not more than 2 years, or both.

Mr. WILLIAMS. I thank the Senator from Missouri for his contribution.

Mr. President, the third loan to which I am referring by which Mr. Finnegan profited while serving as Collector of Internal Revenue was for $565,000, and was made by the RFC to the American Lithofold Corp., of St. Louis, Mo. The American Lithofold Corp. is affiliated with the American Carbon Paper Co., of Chicago, Ill.

On November 19, 1948, the American Lithofold Corp. signed an application with the Reconstruction Finance Corporation for a loan of $548,219.50.

On January 13, 1949, following an investigation, the Reconstruction Finance Corporation Supervisory Committee submitted an adverse report, following which the Directors of the Reconstruction

Finance Corporation unanimously disapproved the loan.

During the subsequent weeks an application was refiled twice, and each time it was unanimously disapproved and rejected.

The reasons for declining are listed by the Board as follows:

First. Unbalanced financial condition with disproportionate total indebtedness as compared to net worth.

Second. Past record of net profit has not demonstrated applicant's ability to service a loan in the amount requested.

Third. Too much of loan proceeds being used to pay existing indebtedness.

The reasons were unanimously agreed to by the rejection committee on three different occasions.

On March 3, 1949, the Board of Directors of the Reconstruction Finance Corporation suddenly reversed themselves and granted the corporation an immediate loan of $80,000 against the corporation's machinery, and reopened the case for consideration of the full request.

It is to be noted that no additional assets were pledged as collateral for this loan, other than those offered on the previous occasions, and it is also to be noted that the same machinery upon which the additional $80,000 was loaned on that date was already mortgaged to the Reconstruction Finance Corporation in excess of its valuation.

Subsequently, on July 6, 1949, the loan was increased to $465,000, and on November 14, 1949, an additional $100,000 was loaned to the same corporation, bringing the total loan up to $565,000.

The records of the RFC show that during the interval between the rejection and the approval of the loan, there had been no change in the company's financial status; on the contrary, they were still losing money, and were doing so faster than ever before in their history.

On March 17, 1949, 14 days after the loan was granted by the RFC, there was held a special meeting of the board of directors of the American Lithofold Corp. I quote from the minutes of that meeting:

> Motion was made by R. J. Blauner and seconded by A. M. Bridell that J. P. Finnegan be appointed company administrative legal adviser.
>
> Motion unanimously carried.
>
> The president submitted to the board a copy of the resolution of the RFC dated March 3, 1949, with reference to an additional loan in the amount of $80,000 to be secured as stated in the resolution.

That was 14 days after the loan was approved or granted, although the same loan to the same corporation had previously been rejected by the RFC on three different occasions.

The minutes of this meeting show that Mr. R. J. Blauner, vice president and general manager, talked on long distance with R. A. Blauner, the company's Washington representative, and reported that after being fully informed, Mr. R. A. Blauner approved of their action.

On April 14, 1949, 4 weeks later, stock certificate No. 86, representing 120 shares of American Lithofold stock, was transferred from R. A. Blauner, the president of the corporation, to Mrs. J. B. Finnegan, wife of Collector Finnegan.

Mr. Finnegan then negotiated a $12,000 collateral loan from the Tower Grove Bank & Trust Co., St. Louis, with himself indicated as the principal debtor, and with R. J. Blauner and W. F. Leschen, the endorsers; and Mrs. Finnegan's 120 shares of stock were pledged as collateral to secure this loan. Mr. Finnegan upon receipt of the proceeds of this loan of $12,000, claims that he forthwith transmitted such amount to Mr. R. A. Blauner, the transferor of the said 120 shares of stock and an officer of this corporation.

At that point, if we stop there, it would appear that the 120 shares of stock, par value $12,000, which had been turned over to Mrs. Finnegan, were paid for by her husband, James Finnegan, with the proceeds of this loan. But payments on this bank loan were made, not by Mr. Finnegan, but by the American Lithofold Corp. in monthly installments of $1,000, plus interest, notwithstanding the fact that the company was neither maker nor endorser of this note.

Beginning May 2, 1949, the month after the loan was negotiated, nine monthly payments aggregating $9,253.84 were made by the American Lithofold Corp. on this note, of which $9,000 was toward the principal and the remainder toward the interest. The accounting treatment of these payments was such that the legal expense of the American Lithofold Corp. was charged $4,626.91, or one-half of the total, and the legal expense of the American Carbon Paper Co., an allied company, was charged with a similar $4,626.93, since the latter company had reimbursed American Lithofold Corp. for its one-half of the total payments.

At this point I ask unanimous consent to have inserted in the RECORD several letters relating to these payments. They confirm the fact that these payments were for attorney's fees.

There are four letters which I should like to have inserted in the RECORD.

Mr. LANGER. Mr. President, reserving the right to object, let me inquire whether the letters are very long.

Mr. WILLIAMS. No, they are not long.

Mr. LANGER. Then why not read the letters at this time?

Mr. WHERRY. Of course, Mr. President, the Senator is speaking under a time limitation.

Mr. WILLIAMS. However, I think I have sufficient time to read them, and I think it better that they be read. The first is an interoffice memorandum, reading as follows:

> AMERICAN LITHOFOLD CORP.,
> *St. Louis, Mo., May 4, 1949.*
>
> From: H. W. Stanhope.
>
> To: R. J. Blauner.
>
> We were instructed to pay Tower Grove Bank & Trust Co. $1,028.36 to cover James J. Finnegan's note which was due on May 2 in the sum of $1,000 plus $28.36 interest. You were to give us the method of handling this cash outlay.
>
> Will you please advise how this matter should be handled.
>
> Yours very truly,
>
> H. W. STANHOPE,
> *Controller.*

The second one is signed by James P. Finnegan. It is a letter dated June 10, 1949, written on his stationery, and addressed to the American Lithofold Corp., St. Louis, Mo. It will be noted that this company was paying $1,000 a month on Mr. Finnegan's note, with half of this being charged to the American Carbon Paper Co. The letter reads:

> GENTLEMEN: This letter will serve as a bill for $500 for the month of May and $500 for the month of June for my legal services in advising and counseling during the said months of May and June.

Another memorandum exchanged between the American Lithofold Corp. and the American Carbon Paper Co. is dated June 14, 1949. It is a memorandum from the American Lithofold Corp to the American Carbon Paper Co. to show that these two charges were exchanged between the two corporations. It reads:

> We billed you $500 to cover J. P. Finnegan's services for the months of May and June, inasmuch as the amounts were paid by us.
>
> Attached hereto is a statement covering the charge from Mr. Finnegan.

I shall read another letter dated July 8, 1949. It is addressed to Mr. James P. Finnegan, St. Louis, Mo., and reads:

> DEAR MR. FINNEGAN: We would appreciate your sending us a statement covering services rendered for the month of July 1949.
>
> Thank you for your prompt attention to this request.
>
> Yours very truly,
>
> AMERICAN LITHOFOLD CORP.,
> H. W. STANHOPE,
> *Controller.*

When Mr. Finnegan's income-tax returns were examined the auditors made the following notation under the heading "Business expenses":

> It is found that the taxpayer properly included in his gross income those amounts received from clients as reimbursement for certain of the above-mentioned business expenses.
>
> This was particularly true in the subsequent year 1949 when $9,737.35 received from the American Lithofold Corp. as reimbursement for expenses was duly included in taxpayers gross income.

As further evidence that these payments were for services rendered, I quote the following paragraph contained in a special agent's report dated July 12, 1950:

> Beginning on May 2, 1949, the American Lithofold Co. issued its check for $1,000 each month payable to the Tower Grove Bank and Trust Co. to be applied on the loan in the name of James P. Finnegan. The $1,000 was allocated $500 to legal expense and $500 to American Carbon Co., which company charged $500 each month to legal expense. This was continued through March 1950. For May and June 1949 Mr. Finnegan submitted invoices in the form of letters for legal services to American Lithofold Corp. and American Carbon Paper Co. for $1,000 each. After that date, the files show that no further invoices were received by the companies, although Mr. Homer S. Stanhope, comptroller of the American Lithofold Co., requested them of Mr. Finnegan. No reply to these requests are contained in the files of American Lithofold Corp., although Mr. Stanhope stated that Mr. Finnegan orally stated to him on several occasions that there would be no more invoices submitted since there was a general misunderstanding con-

cerning his fees and that the two invoices already submitted should be withdrawn from the files since they were submitted in error. The documentary evidence in the files of American Lithofold Corp., copies of which have been made a part of the report of the internal-revenue agents, show that thereafter Mr. Stanhope addressed memorandums on several occasions to Mr. R. J. Blauner requesting advice as to how the monthly payments of $1,000 to the bank should be handled. The files show no replies from Mr. Blauner to these memorandums. Mr. Stanhope stated that each time he approached Mr. Blauner on the matter he was told that he (Blauner) and Mr. Finnegan had not reached a final decision as to Mr. Finnegan's attorney fees or as to the amount of stock which he would purchase. Mr. Stanhope stated that in the absence of an explanation from Mr. Blauner as to how the payments should be handled, he continued to handle them in the same manner as for the first 2 months; that is, $500 each month was charged to legal expense and $500 was charged to American Carbon Paper Corp., which company in turn charged the amounts to its legal expense.

This exchange of letters and excerpts from the corporation's minutes all substantiate the fact that Mr. Finnegan, while serving as collector of internal revenue in the city of St. Louis, was employed as an attorney by the American Lithofold Corp., of St. Louis, which company, after his employment, negotiated a substantial loan from the Reconstruction Finance Corporation.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. KEM. Does the Senator know whether, during this period, Mr. Finnegan reported to the Commissioner of Internal Revenue the income which he was receiving from the American Lithofold Corp. and the American Carbon Paper Co., or either?

Mr. WILLIAMS. Yes, I have just read a paragraph taken from the agent's report, and I shall read it again at this point:

> This was particularly true in the subsequent year 1949 when $9,737.35 received from the American Lithofold Corp. as reimbursement for expenses was duly included in taxpayers' gross income.

Mr. KEM. As I understand, a Government employee, such as an internal-revenue officer, is required under the law to report to the Commissioner any revenue received by him other than his salary, and to report it upon its receipt, is he not?

Mr. WILLIAMS. I understand that is the law.

Mr. KEM. I call the Senator's attention to title 26, section 4046, of the United States Statutes, which provides:

> TITLE 26, SECTION 4046—STATEMENT OF FEES, CHARGES, AND ALLOWANCES
>
> Every internal revenue officer, whose payment, charges, salary, or compensation are composed, wholly or in part, of fees, commissions, allowances, or rewards, from whatever source derived, shall be required to render to the Commissioner, under regulations to be approved by the Secretary, a statement under oath setting forth the entire amount of such fees, commissions, emoluments, or rewards of whatever nature, or from whatever source received, during the time for which said statement is rendered; and any false statement knowingly and willfully rendered under the requirements of this section, or regulations established in accordance therewith, shall be deemed willful perjury and punished in the manner provided by law for the crime of perjury. And any neglect or omission to render such statement when required shall be punished by a fine of not less than $200, nor more than $500, in the discretion of the court.

My question to the Senator is whether the records show that upon receipt of this income from the American Lithofold Corp. or the American Carbon Paper Co., the collector, Mr. Finnegan, reported it immediately, or within a reasonable time, to the Commissioner.

Mr. WILLIAMS. I do not know, but, in the absence of information to the contrary, I am willing to assume that he did, until it is shown that he did not. I have not checked that.

Mr. President, at this point I may say that the Senator from Arizona, who is not presently on the floor, raised a question as to when Mr. Finnegan was appointed. I have rechecked the records and find that Mr. Finnegan was appointed at least sometime prior to 1944. That is as far back as I have the available records. It was in April of this year, when his resignation was accepted, with extreme reluctance, by the President. He was serving as collector of internal revenue, during the time he was employed by these companies.

Mr. KEM. Mr. President, if the Senator will yield further, does the Senator know whether the Commissioner of Internal Revenue was aware that Mr. Finnegan was receiving this additional compensation at the time it was received?

Mr. WILLIAMS. So far as I know, he did not; but I do know that it was reported to J. Edgar Hoover in April 1950. Following the investigation at that time, the results were forwarded to the Treasury Department with an accompanying letter addressed to Mr. Schoeneman, and either Mr. Shoeneman received it or he should make a check in his own office to determine who intercepted the letter. The letter came to Washington with accompanying reports and has been in his files for at least 3 months.

Mr. President, it is important that the dates which I have previously outlined relative to the transactions be remembered because, after the investigation was started, Mr. Finnegan and the American Lithofold Corp. attempted to dissociate themselves. I want to read the record of what happened after the investigation was started. On May 3, 1950, special investigators arrived in St. Louis, Mo.

On May 4, 1950, these agents interviewed Collector Finnegan in his office and advised him——

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. KEM. The Senator states that special investigators arrived in St. Louis. Were those investigators from the Federal Bureau of Investigation?

Mr. WILLIAMS. I think they were from the Treasury Department. Their reports are classified as intelligence reports. I am not sufficiently familiar with the inner workings to tell whether they were from the intelligence squad of the Treasury Department or the intelligence squad of the FBI. My understanding is that they were working in conjunction with each other.

Mr. KEM. At any rate, they were investigators acting on behalf of the United States, were they?

Mr. WILLIAMS. That is correct, and they were working under the intelligence squad.

On May 3, 1950, special investigators arrived in St. Louis, Mo.

On May 4, 1950, these agents interviewed Collector Finnegan in his office and advised him that they had been assigned to conduct an investigation of reported irregularities in his office. The general nature of the charges was discussed with the collector at that time.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HENNINGS. I was called to the telephone for a moment while the Senator from Delaware continued with his discourse. As the Senator may or may not know, the city to which he refers and the former collector about whom he is now talking to the Senate are in the State which I have the honor to represent as junior Senator together with my distinguished colleague [Mr. KEM]. The Senator from Delaware has not thus far transmitted to me any of the information the benefit of which he has been giving the Senate; and I do not know whether the Senator knows that Mr. Finnegan, the former collector, resigned within the past month or so.

Mr. WILLIAMS. That is correct. He resigned, if I recall correctly, on April 4, effective on the 14th or 15th day of April. According to press reports, he persuaded the President to accept his resignation. The Secretary of the Treasury said the resignation was purely voluntary. It was approximately 4 months after the report to which I am referring, was filed with the Departments in Washington and after the grand jury had passed upon the question, at which time he was exonerated. But the grand jury did not have the benefit of any of the information we have here today.

Mr. HENNINGS. Is the Senator aware of the fact that Federal Judge Moore, within the past week, charged the grand jury to make a further investigation?

Mr. WILLIAMS. I am aware of that fact. I think Federal Judge Moore is really trying to get to the bottom of the matter. I think he tried, previously. I understand the grand jury is winding up its business this week. The judge lectured the grand jury for its failure to uncover conditions which he had understood existed. He was not satisfied with their report, and he told them to go back and do the job over. It is important to remember that this material was not presented by the Treasury Department or the Justice Department to the grand jury. Unquestionably the grand jury should have had the benefit of all information in connection with the question.

Mr. HENNINGS. I thank the Senator.

Mr. President, will the Senator yield for one further question?

Mr. WILLIAMS. I yield.

Mr. HENNINGS. From what is the Senator reading? What are the sources of his material?

Mr. WILLIAMS. The material is documented in files which are now in possession of either the Treasury Department or the Department of Justice and has been for some time. The page number and the file number in each case are available. I shall be glad to make the information available to the Senator from Missouri if he cares to examine it.

Mr. HENNINGS. I thank the Senator from Delaware.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. Just for the record, may I ask the Senator if he is a member of the Senate Committee on Finance?

Mr. WILLIAMS. I am.

Mr. KEM. This information has been developed by the Senator in the course of his official duties as a member of that committee, has it not?

Mr. WILLIAMS. Partly. I had been questioning some of the practices in the Treasury Department before I became a member of the Finance Committee.

Mr. KEM. The Finance Committee has to do with matters connected with the Bureau of Internal Revenue; has it not?

Mr. WILLIAMS. That is correct.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HENNINGS. Since my able friend the senior Senator from Missouri has developed the point to which he has just adverted, may I ask the able Senator from Delaware whether the Senate Finance Committee has taken any action or whether any action is now pending relating to any of the matters contained in the material which the Senator is now reading?

Mr. WILLIAMS. The Senate Finance Committee has been studying it, and a House committee has asked for $50,000 to conduct an investigation. Since the House committee is in the process of investigating the question, the Senate Finance Committee felt that it would not be wise to staff two committees, both investigating the same question. For that reason, the Finance Committee of the Senate has not asked for a special investigatory staff, and I do not think it will; not because it does not have any interest in the question, but because there is no use duplicating the investigation.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. WHERRY. Reverting to the Senator's statement in which three dates—May 3, May 4, and May 5—were mentioned, will the Senator briefly again state what happened on those three dates?

Mr. WILLIAMS. As a result of the report to J. Edgar Hoover, special agents of the intelligence squad arrived in St. Louis on May 3, 1950. On May 4, they went to Mr. Finnegan's office and advised him that he was under investigation.

On the following day, May 5, a special meeting of the board of directors of the American Lithofold Corp. was hastily called at the office of the corporation, 500 Bittner Street, St. Louis, Mo. I shall now reveal the process they went through in trying to unscramble and dissociate themselves from the question of the payment of money.

Directors present at that meeting were R. J. Blauner, James P. Finnegan, W. F. Leschen, and Joseph H. Husgen—Mr. William F. Leschen acting as chairman. A waiver of notice of the time, place, and purpose of this meeting was signed by all of the directors of the corporation and attached to the minutes. As of special interest I shall quote the seventh paragraph of the minutes of that hasty meeting on May 5, 1950:

> Motion was made by Wm. F. Leschen and seconded, that we approve payments to Jas. P. Finnegan in the sum of $1,500 for the year 1949, and that the balance of the expense, viz, $3,126.91, which makes up the total expenditures to the Tower Grove Bank & Trust Co. less American Lithofold Corp.'s charges to the American Carbon Paper Corp. in the year 1949, to be charged to the liability account of R. J. Blauner covering patents.

Both Mr. Finnegan and the corporation had included the previous amounts in their tax returns.

On June 12, 1950, another special meeting of the directors of the American Lithofold Corp. was held in the office of the corporation, 500 Bittner Street, St. Louis, Mo.

Directors present were R. J. Blauner, James P. Finnegan, and Joseph H. Husgen. A waiver of notice of the time, place, and purpose of this meeting was signed by these three directors. Mr. R. J. Blauner acted as chairman of that meeting. I quote from the minutes of that meeting:

> On motion made by Mr. Joseph H. Husgen, duly seconded and unanimously carried, the board corrected the minutes of its meeting of May 5, 1950, by substituting for the seventh paragraph thereof the following:
>
> "On motion duly made by Mr. Joseph H. Husgen, duly seconded and unanimously carried, the board approved payments to the Tower Grove Bank in the total amount of $9,253.84, of this amount $4,626.93 being charged to the account of American Carbon Paper Corp., and $4,626.91 being charged to the liability account of Mr. R. J. Blauner, covering patents.
>
> "On motion duly made by Mr. Joseph Husgen, seconded and unanimously carried, the board further approved the payment of $1,500 to Mr. James P. Finnegan as full compensation for his services rendered during the year 1949."
>
> There being no further business, meeting was adjourned.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I shall be glad to yield in a moment. I should first like to finish with this particular part of the statement. Then I shall be happy to yield.

On June 13, 1950—1 month and 8 days after the investigation started—by the meeting of the board of directors of the American Lithofold Corp. the certificate in the name of Mrs. Finnegan for 120 shares of stock was canceled on the stock books of the corporation and new certificates issued as follows:

Shares to American Carbon Paper Co	60
Shares to R. J. Blauner	60
Total shares	120

Amended tax returns were filed by the corporations in line with the changes outlined above.

In other words, Mr. President, between May 5, 1950, and June 13, 1950, 1 month and 8 days after the investigation had started, they were unscrambling previous actions and returning payments which had been made for legal services to Mr. Finnegan, while he was serving as collector of internal revenue and during which time a loan of $565,000 was arranged from the RFC. Remember this loan had previously been rejected three times prior to the time that they had employed Mr. Finnegan as attorney.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. I ask the Senator whether the records of the corporation show any reason why they took a more modest view of the value of Mr. Finnegan's services after the arrival of the special investigators in St. Louis?

Mr. WILLIAMS. No; the records do not show any reason. However, it is rather significant that they began to change their viewpoint 24 hours after they learned that investigators were in St. Louis investigating the case. I think the facts speak for themselves.

Mr. KEM. Does the record show that any refund was made of the additional compensation received by Mr. Finnegan?

Mr. WILLIAMS. Apparently so, because both companies filed amended tax returns. They had previously deducted the payments made to Mr. Finnegan. Four thousand six hundred dollars had been deducted by each corporation. After they found out about the investigation the companies filed amended tax returns.

Mr. KEM. Do the records show whether the amended returns were accepted by the Commissioner without comment?

Mr. WILLIAMS. They do not show either way. I do not know.

Mr. KEM. The records do not show that any special report was made by Mr. Finnegan on the additional compensation he had received?

Mr. WILLIAMS. No. The record shows that Mr. Finnegan had already paid a tax on the $9,250. The corporations filed amended returns and paid the tax. If the matter should stand in that way, Mr. Finnegan would be entitled to a refund. Whether he has filed an application for a refund, I do not know. If we are to assume that the procedure is correct, then certainly he is entitled to a refund.

Mr. KEM. Was the money, which was received by the American Lithofold Corp., as a result of the change in the minutes, accounted for as income by the American Lithofold Corp.?

Mr. WILLIAMS. Of the 120 shares of stock which Mrs. Finnegan had held in her name, 60 shares were transferred to the American Carbon Paper Co., which was an associated company. The money which had been paid to the American Lithofold Corp., and the money which had previously been deducted as being attorney fees, was called payment for this stock. The stock was taken for payment. The other 60 shares were turned over to R. J. Blauner, who apparently put his own money into the company. That money would be counted as income during the next year. If their right to unscramble is recognized after the investigation was started they apparently did a good job rather hurriedly. They started less than 24 hours after the investigation was inaugurated. Therefore, it should not have taken them long to unscramble it.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from North Dakota.

Mr. LANGER. As I understand, there has been a grand jury investigation made of the subject matter.

Mr. WILLIAMS. Yes.

Mr. LANGER. Certain people were indicted.

Mr. WILLIAMS. The only indictments which were returned were indictments against a few taxpayers.

Mr. LANGER. Was Mr. W. F. Leschen indicted?

Mr. WILLIAMS. No. I think I am correct in saying that his name was not on the list of the persons who were indicted. I think I know what the Senator from North Dakota has in mind. I can say that to my knowledge none of the persons whose names are on the list was indicted by the grand jury. Neither was any of the evidence pertaining to them presented to the grand jury. Of course, it must be remembered that these cases took place some time ago. Most of them are in process of being paid off. In most of them substantial payments have been made, and there is not too much due and outstanding at this time.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield further.

Mr. LANGER. Is it not true that under the laws of the United States Mr. Leschen, Mr. Blauner, and Mr. Husgen would be guilty of conspiracy to commit a crime in connection with Mr. Finnegan? Why would not they or the corporations be subject to indictment?

Mr. WILLIAMS. Not being an attorney, I cannot answer the question. All I can do is state my understanding of the law. The evidence should have been presented to any grand jury which was investigating the cases in St. Louis. There is no excuse for not presenting the evidence to the grand jury, so that the grand jury could have been in a position to take the action which they felt was necessary.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. LANGER. The distinguished Senator from Delaware does not have to be a lawyer to know that when two or more persons gather together to conspire together to commit a crime they are all guilty. I do not think it is fair to take in only the collector of internal revenue. I think all of them should be taken in together. All the corporations and the officials ought to be taken in together, including the persons whose names I have mentioned, because they are just as guilty as Mr. Finnegan.

Mr. WILLIAMS. I may say to the Senator that I am not trying to pass judgment against anyone. I am merely making a statement of the facts from the records. I think the evidence should be presented to the grand jury, which is in session in St. Louis, under Judge Moore. I think it is up to the grand jury to determine who should be indicted. I know that if I did not have my own opinion in the matter I would not be presenting the facts on the floor of the Senate.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. LANGER. Why does not a subcommittee of the Senator's committee subpena the various persons and make the investigation itself?

Mr. WILLIAMS. I do not think it is necessary, because the investigation has been made. If we were to subpena the witnesses, we would merely investigate the investigators to see whether or not they made a proper investigation, and we would find out the same things. The investigation has been made and it is now time for action. Why should a Senate committee or any other committee investigate what has been investigated already? The only criticism is that the results of the thorough investigation which has been made have not been submitted to the proper authority. If it is submitted to the proper authority I think it would take care of itself.

Mr. LANGER. Does the distinguished Senator believe that if Mr. Finnegan were guilty in this case similar cases might be discovered?

Mr. WILLIAMS. I think the grand jury should go into the full operations of Mr. Finnegan.

Mr. LANGER. Will the Senator say that his committee or a subcommittee of his committee should not do it?

Mr. WILLIAMS. Our subcommittee could go into it, but, after all, a committee of the Senate could not prosecute. The prosecution must be handled by the Department of Justice. The material is now available in the Department of Justice. If the Department of Justice does not prosecute, I do not know what good a committee could do, except to expose the facts to the American people, and that is exactly what I am doing here today. It is inexcusable that the material has not been presented to the grand jury before.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. BRICKER. Does the Senator know whether or not the subcommittee of the Committee on Banking and Currency investigating the RFC has had the various loans involved here under consideration?

Mr. WILLIAMS. I could not say. I do not know. I am not a member of the committee. I do know that Mr. Finnegan's name was brought into the investigation being conducted by the Committee on Banking and Currency in relation to another loan, with the particulars of which I am not familiar.

Mr. BRICKER. That is true; but I do not think that any of the loans referred to have been investigated by the committee. I think they should be the subject of an investigation by the committee. I remember, with the Senator from Delaware, trying to find the facts pertaining to the loan made to the St. Louis Browns Holding Co. We could not find out anything about it because the facts had been very cleverly covered up by the use of certain names in the application.

Mr. WILLIAMS. I know that the Senator from Ohio and I worked for some time on the matter, and we kept getting a negative answer until we reminded certain people downtown of the exact name of the company. I was a little surprised to find that the RFC had loaned money to these two corporations, one of which owned the ball park in St. Louis and the other of which owned the St. Louis Browns, and yet they did not even known the type of collateral. They did not even know that the two corporations were connected with the baseball industry. We had to document the complete case before the record could be located.

Mr. BRICKER. Does the Senator from Delaware agree with the Senator from Ohio that it is a proper subject of investigation?

Mr. WILLIAMS. I do.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LANGER. I agree with the distinguished Senator from Ohio that it is the job of the subcommittee to have pitiless publicity in this matter. The very fact that there is an investigation will compel the grand jury to act.

Mr. WILLIAMS. I think the grand jury under Federal Judge Moore will act once this information has been made available.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. GEORGE. May I inquire of the Senator to what investigation he is referring? Where did the documents which he is submitting to the Senate come from?

Mr. WILLIAMS. The documents to which I have referred up to this point are documents on which I have been working for several weeks. That part of the investigation to which I am coming now represents material which we obtained through the subcommittee from the Treasury Department. I refer to the subcommittee of which the Senator from Virginia [Mr. BYRD] is chairman.

Mr. GEORGE. My recollection was that that subcommittee was appointed to investigate certain particular matters. This matter has never been brought to the attention of the full committee, and no report has been made to the full committee.

Mr. WILLIAMS. That is correct, the subcommittee is investigating conditions in New York City.

Mr. GEORGE. I do not like to be embarrassed by documents which were submitted to a subcommittee going into the RECORD, when the subcommittee is carrying on a legitimate investigation into one or two other matters. The information may have been submitted to the subcommittee as confidential. I do not know. I am at a disadvantage. Of course I would not expect the Senator to abuse any privilege which he enjoys by virtue of his membership on the subcommittee. However, until the subject is brought to the attention of the full committee, obviously the committee itself can know nothing about it. I have never heard of this case at all.

Mr. WILLIAMS. I may say to the Senator from Georgia, that I am speaking here today on conditions in St. Louis. That subcommittee to which he refers is investigating conditions in New York and will report in due course.

Mr. GEORGE. The information may have been in the files of the subcommittee, but no report has been made to the full committee.

Mr. WILLIAMS. No. The full committee has never considered the subject. The Senator from Georgia has attended a few of the meetings of the subcommittee. So far as receiving confidential information is concerned, I have previously said, and I now repeat, that I will never recognize any information from any department downtown as confidential information when it conceals a crime. If any department thinks it is going to classify material and handicap us and prevent us from discussing it on the floor of the Senate merely by placing it on a confidential list, it had better not send any of such information down to the Capitol.

Mr. GEORGE. I have no objection to the Senator presenting anything to the Senate which he feels he ought to present on his own responsibility. But with respect to a matter which came to a subcommittee, if the information is confidential, it should be brought to the attention of the full committee before it is spread before the Senate.

Mr. WILLIAMS. I do not think it will be found that there is any discussion of tax returns in this case.

Mr. GEORGE. I do not know.

Mr. WILLIAMS. I think the Senator from Georgia will find that this does not involve confidential matters, except as the Treasury Department was trying to protect Mr. Finnegan.

The Senator from Georgia will remember that in either June or July of last year, at a time when I was not a member of his committee, I addressed a letter to him as chairman of the Finance Committee, pointing out that I had been advised on the basis of reliable information that there were conditions in the internal-revenue office in New York, and in other internal-revenue offices conditions which I felt should not be allowed to exist. I do not believe that any action was taken.

Mr. GEORGE. Oh, yes. I appointed a subcommittee to investigate the New York office; but I did not appoint any subcommittee to investigate this particular matter. I am now hearing the first of it.

Mr. WILLIAMS. I may say, in connection with the St. Louis matter, that I am presenting it as an individual Senator. I am not speaking as a member of the subcommittee.

Mr. GEORGE. I wanted to make that clear.

Mr. WILLIAMS. I have made no reference to the New York investigation which is now under way by our committee. No reference will be made to the New York investigation until the report has been made to the full committee.

So far as the information in the St. Louis case is concerned, practically all that information came through my office, as the result of a private investigation; and I am reporting, as a Member of the Senate today, on the St. Louis case only.

Mr. GEORGE. I have no objection to that, and would raise none. I know none of the parties, and know none of the facts. However, if the information came to the subcommittee as a confidential report of any kind, until the subject is brought before the full committee I do not think it ought to be laid before the Senate.

Mr. WILLIAMS. I do not think the Senator will find much that is confidential. The names on this list as borrowers have been published by the RFC.

Mr. GEORGE. Perhaps so.

Mr. WILLIAMS. But they have not been identified with Mr. Finnegan. The grand jury is meeting in St. Louis today. It will not be in session much longer and this evidence should be presented to that grand jury.

Mr. GEORGE. I do not know about that. I presume that is a matter which relates to the Department of Justice or some agency in the Department of Justice. The Treasury Department has no direct authority to present anything to a grand jury, except through the officials of the Department of Justice.

I am not complaining about what the Senator has to say. I have no possible objection to statements made on his own responsibility as a Senator. But since reference is made to the Finance Committee, and since I have never appointed a subcommittee to make an investigation of this subject—or if any has been made, no report has been made to the full committee—I am simply saying that I do not believe that any of this testimony which might have come to the subcommittee as confidential information should be taken up on the floor of the Senate until it is laid before the full committee.

Mr. WILLIAMS. I may say that there is nothing confidential about it. The subcommittee was investigating the New York office. In routine fashion I asked three different gentlemen from the Treasury Department if there was anything wrong in St. Louis. I knew that we had this information about St. Louis.

All three representatives of the Treasury Department denied that there was anything in St. Louis that gave them any concern. They denied before our committee that there was anything wrong. This information was not brought before us until after I identified the file numbers, which I received from a certain confidential private source. Then we got the files, and the information was finally confirmed. One almost has to know the particular case before he can obtain access to the files.

I am very much disappointed with the lack of cooperation of the Treasury Department. The Senator is correct in stating that there has been no official investigation of this subject by the committee. I am making this report on my own responsibility as a Senator, and I accept responsibility for what I am placing in the RECORD today. I am making no reference whatever to anything which the committee has done in investigating the New York situation.

Mr. GEORGE. I simply wanted to be clear, because I had not heard of any matter of this kind so far as the New York investigation is concerned. Perhaps a corollary investigation of some sort arose as a result of the work of the Kefauver committee. I understand that a subcommittee was appointed to look into the situation.

Mr. WILLIAMS. That is correct. The committee is at work, and there will be a report. However, no report has been made yet, and there is nothing whatever in this report which even refers to the New York situation.

Mr. President, I shall now discuss the second phase of operations in that office whereby James P. Finnegan, while serving as collector of internal revenue, formed an insurance partnership with John Martin Brodsky, of St. Louis, and then furnished Mr. Brodsky with a list of taxpayers who were in tax difficulties as prospective insurance customers with the understanding that he would get a "cut" of the premiums.

Mr. KEM. Mr. President, will the Senator permit me to insert in the RECORD at this point a reference to the United States statutes?

Mr. WILLIAMS. Yes.

Mr. KEM. Title 18, section 1905, of the United States statutes, prohibits a United States officer from disclosing information he receives in an official capacity.

Mr. WILLIAMS. That is correct.

Mr. KEM. I ask unanimous consent that the section in full be printed in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

TITLE 18, SECTION 1905. DISCLOSURE OF CONFIDENTIAL INFORMATION GENERALLY

Whoever, being an officer or employee of the United States or of any department or agency thereof, publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any information coming to him in the course of his employment or official duties or by reason of any examination or investigation made by, or return, report, or record made to or filed with, such department or agency or officer or employee thereof, which information concerns or relates to the trade secrets, processes, operations, style of work, or apparatus, or to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of any person, firm, partnership, corporation, or association; or permits any income return or copy thereof or any book containing any abstract or par-

ticulars thereof to be seen or examined by any person except as provided by law; shall be fined not more than $1,000, or imprisoned not more than 1 year, or both; and shall be removed from office or employment.

Mr. WILLIAMS. Mr. President, this phase of the report relates to allegations against Collector of Internal Revenue James P. Finnegan, of the first collection district of Missouri, to the effect that Mr. Finnegan was adjusting tax matters for individuals who were in tax difficulties provided they purchased insurance from J. M. Brodsky with whom Collector Finnegan was affiliated.

These allegations were made to Director J. Edgar Hoover by Mr. X in April 1950. Mr. Hoover's informant charged that Collector James P. Finnegan was a silent partner of John Martin Brodsky and that he was furnishing Mr. Brodsky with the names of persons facing tax difficulties, and that these taxpayers obtained tax adjustments from the collector provided they purchased insurance from the Brodsky agency.

That John Martin Brodsky had the names of several persons who were involved in tax difficulties with the Bureau of Internal Revenue is admitted by Mr. Brodsky and is further established by the statements of Richard V. Clark, Jr., an insurance broker associated with the Aetna Casualty Insurance Co. of St. Louis, Don Kelly, general manager of the John Hancock Mutual Life Insurance Cc. of St. Louis, and Walter Heuerman, a salesman for the John Hancock Mutual Life Insurance Co. of St. Louis.

Mr. Brodsky contacted at least some of these persons whose names were supplied by Finnegan for insurance, and in each instance he represented, or left the inference, that he was a partner with Finnegan. He represented that they would be permitted by the collector to pay their tax deficiencies in deferred payments. The Valley Steel Products Co., Harrison Lumber Co., and Missouri Paper Stock Co. or their officers, actually had large tax assessments outstanding and they were paying the assessments by deferred payments. It is possible, of course, as Mr. Finnegan claims, that Mr. Brodsky got his information about these particular taxpayers from someone other than Collector Finnegan; however, nothing was found to support that possibility, and all the evidence is to the contrary. In fact, Mr. Brodsky reluctantly testified that he had received the names of these persons from Mr. Finnegan personally.

Whether Mr. Finnegan actually participated in the insurance commissions of Brodsky as a silent partner or if he received the funds from Brodsky as attorney's fees appears to make little difference. The method used in obtaining the commissions or attorney's fees is, to say the least, highly unethical.

At this point I would like to read the usual whitewash that can be found in practically every investigation report which relates to one of the protégés of the Pendergast political machine or to one of the favorites of the "fairhaired" boys in Washington.

It is probable that Mr. Finnegan saw no particular impropriety in permitting taxpayers to defer the liquidation of their tax obligations (which is entirely proper per se) and to furnish Brodsky with the names of such taxpayers in order that he could contact them for insurance, for which services Finnegan was to get a cut—whether as commissions or attorney's fees.

The memorandum attached to this report went on and pointed out how Mr. Finnegan's association with Brodsky, whether as attorney or as silent partner, had resulted in unfavorable speculation by outsiders, and that he was therefore vulnerable to criticism. They also pointed out that if the facts which had been developed in the investigation should become published, undoubtedly the public would interpret the entire matter in its worst light—a mild form of "shakedown."

In this same memorandum it was pointed out how Mr. Finnegan was considering resigning as soon as he could "induce" the Secretary of the Treasury and the President of the United States to accept his resignation. The memorandum was concluded with the thought that if Mr. Finnegan would resign the resentment in certain circles against the collector for being involved with Mr. Brodsky might subside and public criticism of the collector's office might be avoided.

I shall now review the evidence as contained in these files supporting the charges placed against Mr. Finnegan by the unnamed informant to J. Edgar Hoover in April 1950.

Mr. KEM. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS. I yield.

Mr. KEM. As I read the statement from the report to which the Senator has just referred:

It is probable that Mr. Finnegan saw no particular impropriety in permitting taxpayers to defer the liquidation of their tax obligations (which is entirely proper per se) and to furnish Brodsky with the names of such taxpayers in order that he could contact them for insurance, for which services Finnegan was to get a cut—whether as commissions or attorney's fees.

Does the Senator understand from that, that the official appintment by the Government to investigate this case was reporting that there was no impropriety in that conduct, or merely that Mr. Finnegan saw no impropriety in it?

Mr. WILLIAMS. As I take it, he reported that Mr. Finnegan saw no particular impropriety in it.

Mr. KEM. Did he proceed to invite the attention of the one to whom he made the report to the fact that there was a Federal statute prohibiting the giving of information received by a public official while in an official capacity?

Mr. WILLIAMS. No; he did not go into that.

Mr. KEM. Did he recommend prosecution?

Mr. WILLIAMS. He merely made his report. I do not think he made any final recommendation.

Mr. KEM. So the inference was that if Mr. Finnegan saw no impropriety in it there could be none?

Mr. WILLIAMS. The inference I gather from reading that, and the substance of the next two paragraphs which follow thereafter, is that if Mr. Finnegan would resign perhaps the public would forget it, and public criticism might be avoided.

Mr. WHERRY. Mr. President, will the Senator yield? I promise him I shall be very brief.

Mr. WILLIAMS. I yield.

Mr. WHERRY. How did the FBI get into the picture? Why did the FBI investigate this case?

Mr. WILLIAMS. The complaint made by the original informant was sent to the FBI, which in turn advised the Treasury Department, and, as a result thereof, the investigation followed. That was in April 1950, about 6 or 8 months before I again became a member of the Finance Committee or any subcommittee thereof.

Mr. WHERRY. I see.

Mr. WILLIAMS. I shall now refer to a statement by Richard V. Clark, Jr., which is found in this report.

Mr. Richard V. Clark, Jr., an insurance broker associated with the Aetna Casualty & Surety Co., of St. Louis, was interviewed on December 5 and again on December 13, 1950, and in these interviews he furnished the following information:

Sometime during the latter part of June 1949, Mr. Brodsky called upon him and inquired if Clark would associate himself with Brodsky in the sale of insurance, since he, Brodsky, had little experience in writing general insurance. Mr. Brodsky told him that the collector of internal revenue, Mr. Finnegan, would furnish the names of persons who were in tax difficulties as prospects to whom insurance might be sold. Mr. Brodsky proposed that the commissions earned on insurance thus sold would be divided—one-third to Finnegan, one-third to Clark, and one-third to Brodsky.

Mr. Brodsky claimed that Mr. Finnegan had furnished him with the names of people to be contacted for insurance, among which were the Food Center of St. Louis, Inc., Valley Steel Products Co., Robert Baskowitz, Harrison Lumber Co., and Missouri Paper Stock Co., all of St. Louis. Mr. Clark said he agreed to the arrangement proposed by Brodsky, and on June 28, 1949, he and Brodsky visited Mr. A. J. Molasky, president of the Food Center of St. Louis, Inc. Clark said that after introducing himself to Mr. Molasky, he introduced Brodsky, who remarked to Mr. Molasky: "Remember, Mr. Finnegan called you about me." Mr. Clark does not recall what reply, if any, Mr. Molasky made, except to tell them that they should contact his son, Stanley, to discuss the company's insurance problems, since his son was handling this phase of the business. This suggestion, Clark said, was followed, and a few days later Mr. Stanley Molasky authorized them to make a survey of the company's insurance requirements. The survey resulted in the company's insurance business being taken from its regular brokers and placed in the hands of Brodsky's agency. It perhaps should be pointed out at this time that the company's regular insurance brokers were Mr. Joseph Weingart, Sr., and Mr. Joseph Sperrer—the latter being the father of the treasurer of Food Center of St. Louis, Inc. The commissions earned on this insurance amounted to approximately $26,000,

of which $3,000 was to be paid to Sylvia Molasky, who was a licensed insurance agent and a daughter of the president of Food Center of St. Louis, Inc. The balance of $23,000, Clark said, was to be divided three ways under the arrangement, or approximately $7,500 each to Finnegan, Clark, and Brodsky. Mr. Clark claims, however, that he received only $780.

Mr. Clark said he knew that Mr. Finnegan was receiving money from Mr. Brodsky, presumably under his understanding with Brodsky, because Brodsky told him he was paying Mr. Finnegan $500 a month, against which the commissions due Mr. Finnegan would be charged. Clark said that he saw some of the checks Brodsky issued to Finnegan, some payable to Mrs. Finnegan, and some to his son, James P. Finnegan, Jr. Moreover, Clark said that in one instance he personally delivered to Mr. Finnegan's wife about Christmas time, 1949, a $1,000 check made payable to Mrs. Eva Finnegan, together with a Christmas gift of a bed jacket to Mrs. Finnegan from Brodsky.

On one occasion—sometime during July 1949—while he was in the office of Dudmar Insurance Agency, Clark said, Mr. Finnegan called several times by long distance telephone from Washington, D. C., requesting that Brodsky send him money, since he—Finnegan—contemplated a trip to Florida. Mr. Brodsky was at the time attempting to sell a life insurance policy to an officer of the Valley Steel Products Co., and in his telephone calls Mr. Finnegan was anxious to know if the applicant had passed the medical examination. Mr. Brodsky, Clark said, contacted Mr. Don Kelly, General Agent of the John Hancock Mutual Life Insurance Co., requesting an advance on the expected commission to be earned on the said policy. Mr. Clark believed that on this occasion, Brodsky asked Don Kelly to send Mr. Finnegan $750. It is shown hereinafter that the Valley Steel Products Co. and its officers were in tax difficulties.

Although the terms of the contract between Brodsky and Clark to the effect that Clark's share would be one-third of the commissions earned were oral, Mr. Brodsky at various times has repeated those terms to Mr. Clark's father and Mr. Oliver Blase. Clark said in this connection that he is firmly convinced that Mr. Finnegan is a partner of Mr. Brodsky, just as Brodsky represented to him. He cited two reasons: (1) it would be impossible for a person as inexperienced as Brodsky to obtain large insurance accounts such as the Food Center of St. Louis, Inc., without the aid of someone like Mr. Finnegan through his official position; and (2) Finnegan's interest in the commission resulting from a $30,000 life insurance policy which Brodsky placed with the John Hancock Mutual Life Insurance Co. The facts regarding this are brought out through statements by Don Kelly and Walter Heuermann.

Mr. President, to save time, I ask unanimous consent to have inserted at this point in the RECORD a statement of an interview with Mr. Oliver Blase and a statement of an interview with Mr. Don Kelly, both of whom gave their understanding of the agreement to which I have referred.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. OLIVER BLASE

Mr. Oliver Blase, who operates the Oliver Blase Agency and who is affiliated with the Aetna Life Insurance Co. and the Aetna Casualty and Surety Co., of St. Louis, when interviewed on December 5, 1950, said that Mr. Richard V. Clark, Jr., has desk space in his office; that he recalls Mr. Brodsky visiting Mr. Clark at which time Mr. Brodsky related in the presence of Blase that he had an arrangement with Mr. Finnegan to obtain the names of people to whom insurance could be sold. He also heard Mr. Brodsky tell Mr. Clark that the commissions earned on insurance thus sold would be divided—one-third each to Clark, Finnegan, and Brodsky—provided that Mr. Clark would agree to help him in the sale of the insurance. On several occasions he heard Mr. Brodsky reiterate that he had an arrangement with Mr. Finnegan whereby the latter would furnish Brodsky with the names of persons who were in tax difficulties. Mr. Blase recalled that during the month of December 1949, Brodsky requested Mr. Blase to give him an advance on commissions on the Food Center of St. Louis, Inc., account. Mr. Brodsky explained that he needed this money immediately because Mr. Finnegan was demanding his share. When Mr. Blase refused, Brodsky requested that the former have a check made payable to Mr. Finnegan for $250 and charge it to Brodsky's commission account. Mr. Blase said he refused to do this because Mr. Finnegan is not licensed as an insurance broker and therefore not entitled to commissions. On December 31, 1949, Mr. Blase did advance $2,500 to Mr. Brodsky. On that same day Brodsky issued a check for $1,000 to Mrs. Eva Finnegan.

STATEMENT OF DON KELLY

Mr. Don Kelly, general manager, John Hancock Mutual Life Insurance Co., of St. Louis, when interviewed, stated in substance, as follows:

During June or July 1949, Mr. Brodsky visited his office and explained to him that quite a few local business firms were finding it difficult to pay taxes assessed against them by the Bureau of Internal Revenue, and that Mr. Finnegan had arranged with the firms to allow them to pay the assessments over a period of time. Mr. Brodsky further told Kelly that Mr. Finnegan had furnished him with the names of these firms, and that he [Brodsky] desired to sell the officers of these firms some life insurance, which sales should not be difficult in view of the favors granted them by Mr. Finnegan. Mr. Brodsky requested that Mr. Kelly send one of his salesmen with him to contact the officers of these firms. Mr. Kelly asked for the names of the firms, but Brodsky told him that at the time he had the names of only two firms; namely, the Harrison Lumber Co. and the Valley Steel Products Co., but that the assessments against these two firms were so large that it would be to the advantage of the firms' officers to buy life insurance rather than to have the Collector of Internal Revenue demand immediate payment of the taxes they owed.

Mr. Kelly said he did not relish the idea of doing business with Mr. Brodsky, but his firm's attorney pointed out that, since Mr. Brodsky had a broker's license, he could not refuse his business without making himself liable to a possible suit for damages. He accordingly assigned Walter Heuerman, a salesman for the John Hancock Mutual Life Insurance Co., to accompany Brodsky.

Mr. Heuerman later reported to Mr. Kelly that the officers at the Harrison Lumber Co. refused to buy any insurance, but that a George B. Fleischman [now deceased], of the Valley Steel Products Co., had agreed to purchase life insurance. Although neither Mr. Kelly nor Mr. Heuerman knew about it, tax assessments totaling more than a million dollars had been made against the partners of the Valley Steel Products Co. and the Harrison Lumber Co.

Mr. WILLIAMS. Mr. President, I wish to read for the record a statement regarding an interview with John Martin Brodsky, the other gentleman involved in this partnership:

Mr. John Martin Brodsky was interviewed on January 11, 1951, in the presence of his attorney, Abraham Lowenhaupt, regarding his own income-tax affairs for the years 1948 and 1949, as well as his connection with Collector Finnegan. He was first asked regarding the identity of the persons who received the $1,703 which had been shown by him as a deduction for attorney's fees on his 1949 income-tax return. He replied that $1,700 was paid to Collector James P. Finnegan, who represented him in the capacity of attorney. He was asked to explain just what legal services Mr. Finnegan had rendered, and Brodsky replied that it was in connection with his various divorce matters and his insurance business. He was advised that Mr. Finnegan's name did not appear as an attorney of record on any of the legal documents in his divorce actions and Mr. Brodsky remarked that although Mr. Finnegan had not publicly represented him, he frequently consulted with Mr. Finnegan about his divorce affairs.

Wher Brodsky was asked to make some allocation between Mr. Finnegan's services on the divorce matters and insurance business, he claims the $1,700 during the year 1949 would be allocated to services rendered in connection with the insurance business. He admitted that of the $1,700 paid to Mr. Finnegan, there were two checks, one for $500 and the other for $1,000—both payable to Mrs. Eva Finnegan—and that the balance, $200, was paid in currency. His explanation as to why the two checks were made payable to Mr. Finnegan's wife, rather than to Mr. Finnegan himself, was that Mr. Finnegan was out of town at the time and wanted the money deposited in his bank account to cover any checks he might draw.

Mr. Brodsky further stated that the checks issued to Mr. Finnegan and his son in 1950 were also for legal fees; but he could not furnish any allocation of their payment between legal fees for business and for personal matters. He explained that the reason why some of the checks were made payable to Finnegan's son was that on occasions Mr. Finnegan was out of town and needed money deposited to his bank accounts to cover checks he might write.

Regarding the legal services that Mr. Finnegan is claimed to have rendered, Mr. Brodsky said, and Mr. Finnegan confirmed the act, that Mr. Finnegan did not submit any invoices or bills to Brodsky. Mr. Brodsky said that all payments to Mr. Finnegan were "by oral, mutual agreement."

Regarding his attempt to sell a life-insurance policy to the Valley Steel Products Co. on the life of Philipp Muennig, Mr. Brodsky said that he first contacted the president of the firm, Mr. Fleischman, who could not pass the re-

quired physical examination. It was later decided, according to Mr. Brodsky, that the company would obtain a policy through Brodsky on the life of Philipp Muennig, an employee of the steel company. The premium on the policy was $23,886.37. The finances of the company were such that it was necessary for the company to borrow $22,400 to pay the premium. However, when the medical examination developed that Mr. Muennig was also not a good risk, John Hancock Mutual Life Insurance Co. returned the premium to Philipp Muennig. Mr. Brodsky asked the insurance company to write two checks—one for $22,400, and the other for the difference, $1,486.37.

Mr. Brodsky admitted that he deposited the $1,486.37 check in a bank account at the Mutual Bank and Trust Co. As pointed out hereinbefore, Valley Steel Products Co. charged the amount of $1,486.37 to attorney's fees, although Brodsky is not an attorney.

Brodsky was asked who had furnished him with the names of persons involved in tax difficulties, who were contacted for the purpose of selling them insurance. He hesitated, then replied that he did not obtain the names from Collector Finnegan, but possibly from someone else in the collector's office. When he was pressed for the name of the individual, he suddenly added: "I would not like to give any more information as to the collector's office." At this point during the interview, Mr. Brodsky turned to his attorney, and a whispered consultation was held, after which the attorney remarked that he saw no reason why his client should not tell us the truth about the matter. Mr. Brodsky thereupon said: "Any information I got as to my clients came from Mr. Finnegan. I was given the names by Finnegan personally."

Mr. Brodsky stated further, in reply to our inquiries, that Mr. Finnegan had furnished him with the names of Food Center of St. Louis, Inc., Harrison Lumber Co., Valley Steel Products Co., Missouri Paper Products Co., and Robert Baskowitz.

Mr. KEM. Mr. President, will the Senator yield at this point for a question?

Mr. WILLIAMS. I yield.

Mr. KEM. There is one point in the statement of Mr. Brodsky that I do not quite understand. The statement, as read by the Senator, is:

> His explanation as to why the two checks were made payable to Mr. Finnegan's wife, rather than to Mr. Finnegan himself, was that Mr. Finnegan was out of town at the time and wanted the money deposited in his bank account to cover any checks he might draw.

If the intention was to deposit the money in Mr. Finnegan's account, the check or checks could have been drawn to Mr. Finnegan and could have been so deposited, could they not?

Mr. WILLIAMS. In their report the agents pointed that out, and stated that they did not see why he went through that formality.

NAMES OF FIRMS WITH TAX ASSESSMENTS FURNISHED TO MR. BRODSKY BY FINNEGAN

The records of the collector of internal revenue disclose that in June and July 1949, the firms named by Mr. Brodsky, as having been furnished by Collector Finnegan, had, except the Food Center of St. Louis, Inc., large additional tax assessments against them or their officers, and that, except in one instance, deferred payments were being made. An analysis of the additional assessments and payments appearing on the records of the collector of internal revenue against Lester Crancer and George B. Fleischman, partners in the firm of Valley Steel Products Co.; John W. and Clifford F. Harrison, partners in the firm of Harrison Lumber Co.; Missouri Paper Stock Co. and Samuel E. Mendelson, its president, and Robert Baskowitz, discloses the following with respect to the tax assessments and the amounts due as of June 30, 1949, about which time Brodsky gave these names to Mr. Clark and some of them to Mr. Kelly.

Mr. President, I ask unanimous consent to have the list printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

	Assessment date	Amount assessed	Amount paid to June 30, 1949	Balance due June 30, 1949	Date of final payment
Lester Crancer	Feb. 10, 1949	$466,691.61	$327,308.99	$139,382.62	Aug. 1, 1950.
George B. Fleischman	do	467,812.62	327,680.99	140,131.63	Do.
John W. Harrison	Apr. 21, 1949	74,426.26	8,493.64	65,932.62	$34,702.47 still due.
Clifford F. Harrison	do	45,770.30		45,770.30	$12,852.65 still due.
Missouri Paper Stock Co	Feb. 4, 1949	55,636.16	36,972.23	18,663.93	$9,190.60 still due.
Samuel E. Mendelson	Dec. 31, 1948	52,536.38	10,000.00	42,536.38	$41,036.38 still due.
Robert Baskowitz	July 8, 1949	8,315.57			July 13, 1949.

Mr. WHERRY. Mr. President, will the Senator yield at this point for a question, or does the Senator have the time to yield?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. WHERRY. I wish to ask a question in order to get at the root of the matter. As I understand, the names furnished by Mr. Finnegan, the tax collector, were the names of individuals or of firms who were having tax difficulties.

Mr. WILLIAMS. That is correct.

Mr. WHERRY. Mr. Finnegan turned those names over to the insurance agent who wrote insurance either for those companies or for certain persons in those companies. Is that correct?

Mr. WILLIAMS. That is correct.

Mr. WHERRY. What was the purpose of doing that?

Mr. WILLIAMS. According to the report, it was so that Mr. Finnegan could "get his cut" of the commissions earned.

Mr. WHERRY. In other words, out of the insurance premiums?

Mr. WILLIAMS. Yes, out of the insurance premiums thus earned. The assessments against officials of the Valley Steel Products Co. aggregated around $900,000, and I will follow through on that particular transaction, because that is the company to which we have just referred, as having bought the $30,000 life insurance policy, with a paid-up premium of $23,866.37, and to which neither the official nor the employee qualified or passed a physical examination, so that the refund was made in two separate checks, one to the company, and one to Brodsky. We shall trace that particular transaction through.

COLLECTOR FINNEGAN GETS A CADILLAC

In 1949, at the time the insurance partnership alliance between James P. Finnegan and J. Martin Brodsky was formed the records show that Lester Crancer and George B. Fleischman, partners in the firm of Valley Steel Products Co., owed taxes amounting to $466,691.61 and $467,812.62, respectively.

According to the evidence above the names of these taxpayers were given to Brodsky by Finnegan as prospects, and they were subsequently approached for insurance business. Following this conference George B. Fleischman, now deceased, of the Valley Steel Products Co., agreed to purchase a $30,000 life insurance policy from the John Hancock Mutual Life Insurance Co., through Mr. Brodsky. This was a single-premium policy and the premium involved was $23,866.37. The Valley Steel Products Co., whose partners owed over $900,000 in taxes, had to borrow the money to pay for this premium.

After a physical examination revealed that Mr. Fleischman had a heart murmur which made him ineligible for insurance, the firm decided to take out life insurance on Philipp Muennig, an employee.

Philipp Muennig failed to pass the physical examination, and on August 5, 1949, the premium was refunded by the John Hancock Mutual Life Insurance Co., issuing its check, No. 4022, for $23,886.37, payable to Philipp Muennig. Mr. Brodsky came to the office that day and requested that the refund be made in two checks—one for $22,400, payable to Philipp Muennig, and the other for $1,486.37, payable to Brodsky. Mr. Kelly, the general manager of the John Hancock Mutual Life Insurance Co., of St. Louis, told Brodsky that he would prepare two checks as requested, but that both checks would be made payable to Philipp Muennig. This was done, and the company's checks, Nos. 4927 and 4928, for $22,400 and $1,486.37, respectively, were issued on August 5, 1949, payable to Philipp Muennig.

The records of the Mutual Bank & Trust Co. disclose that on August 5, 1949, the Dudmar Insurance agency opened a checking account at that bank. The opening deposit to this new account was made on August 5, 1949, the same date, and consisted of one check in the amount of $1,486.37. The records of Dudmar Insurance agency disclose this receipt as being from the John Hancock Mutual Life Insurance Co., and the amount is the same as the amount of the check issued by the insurance company to Philipp Muennig, as I said before. Valley Steel Products Co. charged the amount of $1,486.37 to attorney's fees.

Mr. KEM. Mr. President, if the Senator will permit me to ask, who was the Dudmar Insurance Co.?

Mr. WILLIAMS. That was the name of the insurance company, apparently, which was formed by Mr. Brodsky and Mr. Finnegan.

Mr. KEM. That was the name of their partnership, is that correct?

Mr. WILLIAMS. I assume so.

For the time being we will leave this $1,486.37 in the Mutual Bank & Trust Co. and go back 3 weeks to July 14, 1949, to examine a personal transaction of Mr. Finnegan involving the purchase of a new Cadillac by trading his 1949 Dodge and agreeing to pay the $1,017.11 difference.

On that same date the records of the Mutual Bank & Trust Co. of St. Louis disclose that James P. Finnegan borrowed $500 on note No. 1089 at 6 percent interest for 30 days and $500 on note No. 1090 at 6 percent interest for 60 days, both secured by the endorsement of J. Martin Brodsky.

In tracing the disposition of the funds represented by the two notes it was learned that Mr. Finnegan was issued cashier's check No. 240726 in the amount of $992.50, discount value of notes, from the bank, which check was deposited in his personal bank account at the Mississippi Valley Trust Co. on that same day, July 14, 1949.

As previously stated, it was on that date that Mr. Finnegan drew his personal check for $1,017.11 on the Mississippi Valley Trust Co., which check was used in the purchase of his new Cadillac.

An examination of the records of the Dudmar Insurance agency, in whose name, on August 5, 1949, had been deposited the $1,486.37 received from the Valley Steel Products Co., discloses this interesting information:

First. On August 10, 1949, a check in the amount of $500 was drawn against this account payable to the Mutual Bank & Trust Co., which check was used to pay off the $500 note No. 1089 of James P. Finnegan.

Second. Further examination shows that on September 2, 1949, a check in the amount of $686.37 was drawn payable to cash. This check was used to pay off the other $500 note, No. 1090, of James P. Finnegan and the remaining $186.37 was retained by Mr. Brodsky.

Apparently this $186.37 retained by Mr. Brodsky was to offset the $193.11 insurance premium on Mr. Finnegan's new Cadillac which had been paid by Mr. Brodsky.

The $300 remaining in this account from the original $1,486.37 collected from the Valley Steel Products Co. was accounted for in check dated August 15, 1949, which sum was paid to Mr. Finnegan for an unexplained trip to Columbia, Mo.

A brief summary of this case shows that the Valley Steel Products Co. whose officers owed nearly $1,000,000 in back taxes were given lenient terms for payment of their accounts. In return, $1,486.11, charged on the company's books as attorney fees, was subsequently deposited in the bank and used by Mr. Finnegan to pay for a new Cadillac and a trip to Columbia, Mo.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. KEM. Did those items balance the account—that is, the amount applied to the Cadillac, the amount of the insurance, and the $300 said to have been used for an unexplained trip to Columbia, Mo.? In other words, did those items total exactly $1,486.37?

Mr. WILLIAMS. That is correct. The sum cleared out the account.

The insurance partnership between Mr. Finnegan and Mr. Brodsky was in effect during most of 1949 and 1950. According to the records during this period Mr. Finnegan collected as his part, including the Cadillac, $6,193.11 either as actual cash payments or constructive receipt.

A breakdown:

By currency and checks	$4,700.00
Bank loans paid	1,000.00
Columbia, Mo., trip paid	300.00
Insurance premium paid	193.11
Total	6,193.11

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. KEM. Did I correctly understand the Senator to say that the President received Mr. Finnegan's resignation with reluctance, or with regret?

Mr. WILLIAMS. As I understand, he accepted it with extreme reluctance. According to Mr. Finnegan, the President was persuaded to accept it, and, according to the Secretary of the Treasury, it was purely voluntary, and there was nothing wrong in St. Louis so far as he was concerned. At the same time, all of this was documented and could have been found in the Treasury files in Washington. At the time Mr. Snyder directed a letter to me about 10 days ago, in which he said that Mr. Finnegan's resignation was purely voluntary, he reiterated that there was nothing wrong in St. Louis.

Mr. KEM. Mr. President, if the Senator from Delaware will permit, I should like to say that he has made a very valuable contribution in bringing these facts to the attention of the Senate. I know that what he has done will be appreciated by the good citizens of my State.

I ask the Senator whether he will permit me to insert at this point in his remarks a copy of a letter which I wrote under date of April 27, 1951, to the Senator from Maryland [Mr. O'CONOR], the new chairman of the Special Committee To Investigate Organized Crime in Interstate Commerce, suggesting that the committee devote some additional time to an investigation of conditions in the State of Missouri?

Mr. WILLIAMS. I shall be glad to have the Senator from Missouri insert the letter, and I agree with him that some additional time should be devoted within the near future to an investigation not only of the collector's office in St. Louis but also to the other situation to which he refers.

Mr. KEM. Mr. President, I ask that the letter to which I have referred be incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 27, 1951.

Hon. HERBERT R. O'CONOR,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'CONOR: I congratulate you heartily on your selection as the new chairman of the Senate Crime Investigating Committee. You and your colleagues have my best wishes for continued success in this important undertaking.

I hope that during the additional 4 months granted your committee to continue its investigation of crime, you will see fit to investigate further the situation in the State of Missouri.

You are familiar with the fact that during visits to Kansas City and St. Louis, the committee, under the able chairmanship of Senator KEFAUVER, found evidence of collusion between the criminal element and certain State and local officials. The results of the investigation led the committee to report, among other things: "In Missouri, one can perceive a more than passing connection between Governor Smith's appointment of two members to the Kansas City police board who favored a wide-open town and Binaggio's support during the election."

Since these revelations, many Missourians, from all ranks of life and both Democrats and Republicans have expressed their conviction that the committee scarcely scratched the surface in Missouri. It is felt that many salient facts in connection with what has become known as Pendergastism in Kansas City and Shenkerism in St. Louis have not been brought to light. I join them in urging that the committee take whatever time is necessary to unearth all the facts concerning the unholy alliance between crime and politics that exists in our State.

Missourians were particularly disappointed that the committee failed to shed any new light on the theft, on May 27, 1947, of the ballots making up the evidence of the notorious vote frauds in the primary election of 1946 in Kansas City. This was an act of outrageous violence which struck at the very roots of our free institutions. It struck at the very foundations of law and order. To this day, nearly 4 years later, this crime has gone unwhipped of justice.

When no arrests were made for this wicked crime it was widely interpreted as evidence of a new, efficient working partnership between crime and politics. This successful attack upon the rights of the people provided an incentive for more—and more—crime. Twenty-one unsolved murders followed in rapid succession, climaxed by the bloody killings last year of Charles Binaggio and Charles Gargotta.

Many Missourians have been at a loss to understand why the law-enforcement agencies of the Government, with all their trained investigators, and with the benefit of modern, scientific equipment, cannot apprehend those guilty of the theft of the ballots. It is disturbing to know that this crime is still in the file marked "unsolved."

I know you agree that honest, fair elections and clean government, free from the taint of criminal corruption, are considerations that rise far above mere partisan or factional politics.

Should you and your colleagues decide, as I hope you will, to make a full and complete investigation of the theft of the ballots and the situation generally in Missouri, I shall be very glad to cooperate in every way I can.

Sincerely yours,

JAMES P. KEM.

SUPPLYING OF AGRICULTURAL WORKERS FROM MEXICO

The Senate resumed the consideration of the bill (S. 984) to amend the Agricultural Act of 1949.

Mr. THYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. THYE. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

Mr. ELLENDER. Mr. President, I object to that. I should like to have as many Senators as possible present.

The PRESIDING OFFICER. The clerk will proceed with the calling of the roll.

The Chief Clerk resumed the call of the roll.

Mr. THYE. Mr. President, I again ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Chair will state the parliamentary situation. Under the unanimous-consent agreement previously entered into the question is on agreeing to the amendment relating to the establishment of reception centers offered by the Senator from Oregon [Mr. CORDON], for himself and other Senators, as a substitute for lines 7 to 12, inclusive, on page 2 of Senate bill 984, to amend the Agricultural Act of 1949.

Under the terms of the unanimous-consent agreement the time for debate is equally divided between the proponent, the Senator from Oregon [Mr. CORDON], and the opponent, the Senator from Louisiana [Mr. ELLENDER], with 20 minutes allotted to each side. The Chair is therefore required to recognize the Senator from Oregon. The Senator from Oregon is recognized.

Mr. CORDON. Mr. President, may I make inquiry of the Senator from Louisiana with respect to the division of time? Do I understand that the proponent has 20 minutes allotted to him at this time, and that he must use the time now or not at all?

The PRESIDING OFFICER. The Senator from Oregon has 20 miuntes on his amendment, and the Senator from Louisiana has 20 minutes in opposition to the Senator's amendment.

Mr. CORDON. I am perfectly willing to submit the amendment at this time. On the other hand, the Senator from Louisiana may bring up some points which I may feel should be responded to. I had hoped that we might have a division of time by which the Senator from Louisiana would be able to make a presentation of his viewpoint and I might have an opportunity to respond, if I felt it was necessary to do so.

Mr. ELLENDER. It is my understanding that the Senator from Oregon need not use all of his time at once. He may use 5 minutes, 10 minutes, or 15 minutes at this time, if he wishes to do so. I am perfectly willing to cut 5 or 10 minutes off my time.

Mr. CORDON. Mr. President, I yield such time to the Senator from Wyoming [Mr. O'MAHONEY] as he may desire to take.

Mr. O'MAHONEY. Mr. President, I thank the Senator from Oregon and the Senator from Louisiana for permitting me to make a few comments at this time. The subcommittee on Armed Services of the Committee on Appropriations should now be hearing testimony with reference to the fourth supplemental appropriations bill. Inasmuch as I am the chairman of the subcommittee, I must go to the hearing as quickly as possible.

Mr. President, I wish to say that my experience in the State of Wyoming and my knowledge of conditions existing throughout the Rocky Mountain West, where wool is produced and sugar is produced, indicate to me that there is a shortage of the type of labor which is available for work upon farms and ranches.

The conditions of employment througout the West are such that it is extremely difficult, if not impossible, to obtain workers to go on the ranges to herd sheep. It is very difficult to find workers to be employed in the beet fields. I am very much afraid that the bill, as it was reported by the committee, without amendment, would not provide the labor which we need. In the past Mexican labor has been used almost continuously. It was highly necessary during the war that arrangements be made with the Government of Mexico whereby such workers would be available in our agricultural enterprises.

I feel that the amendment which has been offered by the Senator from Oregon is highly essential if we are to maintain the production which we ought to have. Wool production is, of course, very necessary in the United States. The growing of sheep has diminished considerably during the past several years, chiefly because of the lack of labor competent and willing to do the work. Consequently we should now take no chances at all, but should draft the bill in such form as to guarantee that Mexican labor will be available.

The office of the distinguished senior Senator from New Mexico [Mr. CHAVEZ] communicated with me this morning and asked me to insert in the RECORD a letter which was received by the Senator from New Mexico from Mr. J. B. Wilson, secretary of the Wyoming Wool Growers Association. The letter is dated May 1, 1951. I should like to read it into the RECORD:

WYOMING WOOL GROWERS ASSOCIATION,
McKinley, Wyo., May 1, 1951.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.

DEAR SENATOR CHAVEZ: I was interested in reading the debate on the foreign labor bill in the Senate on April 26 and 27 and noticed that on the 27th, in speaking to Senator WHERRY, of Nebraska, you indicated that plenty of sheep herders could be supplied from your State.

As you undoubtedly know, Wyoming has been for many years using a lot of sheep herders from the good State of New Mexico. These herders have in the main proved satisfactory and many of them come to Wyoming in the spring to lamb the sheep and stay during the summer and return to New Mexico when the lambs are delivered in the fall and the sheep men are reducing their flocks due to the sale and shipment of lambs and aged ewes Many families have been coming to Wyoming for a good many years.

The citizens of New Mexico, who herd sheep in Wyoming, are paid the same scale of wages as are any other herders and, as I have said before, have usually been quite satisfactory.

However, there seems to be a scarcity of experienced herders in New Mexico at this time, as growers who talk to me advise that they find difficulty in getting enough experienced herders from your State.

I am advised by wool growers in our State that the help they are getting for lambing is the most inefficient. Of course, they recruit this help from the local Employment Service offices and they also report a shortage of herders. Most of them would welcome the opportunity of getting some experienced herders from your State and if you can tell us where we might secure some experienced herders, I am sure the wool growers of our State will be most grateful.

Up to say 10 or 15 years ago we had no difficulty in securing most of our needs for herders from the State of New Mexico because the herders that had herded here the previous year would recruit additional herders and we usually had a fairly good supply of herders from your State, but in recent years it has been impossible to secure enough herders from New Mexico and I think it will be found that our State pays wages as high as any State and the majority of our people do use herders from the State of New Mexico and if you can tell us where we can secure any experienced herders, we will appreciate it.

Thanking you in advance and with kindest regards, I am,

Sincerely yours,
J. B. WILSON, *Secretary.*

Mr. President, I concur in what Mr. Wilson says. I know that the wool growers of Wyoming would be very happy to receive sheep herders from New Mexico, and would be very glad to afford them satisfactory employment and pay them good wages. If they do come from New Mexico we shall be very happy to have them. But my judgment is that we should not be forced to depend solely upon that source of supply, but should have the aid which would be provided by the Cordon amendment, to make the supply of Mexican labor more available.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ANDERSON. I wonder if the Senator would be interested in a newspaper article dated April 26 on the farm-labor shortages in New Mexico. Maurice F. Miera, executive director of the State Employment Security Commission, stated that we would have a shortage of 24,000 farm laborers in New Mexico during the cotton-picking season. He pointed out that the demand for seasonal farm workers in the State will reach a postwar peak of 37,850 during the 1951 harvest, and that cotton picking alone would demand 36,000 workers in late October and early November.

Max R. Salazar, State director for the New Mexico Employment Service, stated that while he had made arrangements with agencies in other States to try to bring in laborers, the shortages which cannot be met by domestic workers would have to be met by importing foreign workers, preferably Mexican farm laborers.

I ask the Senator if he believes that with a shortage of that size in a small State such as New Mexico, there is much chance of Wyoming getting additional help from New Mexico?

Mr. O'MAHONEY. The information which the Senator affords the Senate is most persuasive.

Mr. ANDERSON. Will the Senator from Wyoming permit me to ask unanimous consent to place the whole of this brief article in the RECORD at this point?

Mr. O'MAHONEY. I shall be very glad to have it inserted in the RECORD immediately following my remarks, or at this point.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the entire article with reference to farm-labor shortages in New Mexico be printed in the RECORD at the conclusion of the remarks of the distinguished Senator from Wyoming.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection, it is so ordered.

(See exhibit A.)

Mr. O'MAHONEY. Mr. President, my point is that the bill reported by the Committee on Agriculture and Forestry is greatly needed, but it should be amended by the amendment offered by the Senator from Oregon. I sincerely hope that the Senator from Louisiana [Mr. ELLENDER] will accept the amendment which has been proposed.

I thank the Senator from Oregon for permitting me to make my statement at this time.

EXHIBIT A

FARM LABOR SHORTAGES SEEN IN NEW MEXICO

ALBUQUERQUE, April 26.—Maurice F. Miera, executive director of the State employment security commission, today forecast a shortage of 24,000 farm workers in New Mexico during the cotton-picking season.

Miera said the forecast was the result of a recent analysis of farm-labor requirements prepared by the farm placement division of the State employment service.

The executive director said the demand for seasonal farm workers in the State will reach a postwar peak of 37,850 during the 1951 harvest.

Cotton picking alone will demand 36,000 workers in late October and early November.

Max R. Salazar, State director for the New Mexico Employment Service, reported that agreements have meen made with other State employment services to direct surplus workers into the State to help alleviate the shortage.

Salazar said that shortages which cannot be met by domestic workers will be certified as requiring foreign workers, probably Mexican farm laborers.

Mr. CORDON. Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. CORDON. I yield to the Senator from North Dakota [Mr. YOUNG] for the purpose of making an insertion in the RECORD.

Mr. YOUNG. Mr. President, during the course of the debate on the farm-labor bill reference was made to the testimony of representatives of the United States Employment Service before the subcommittee of the Senate Appropriations Committee which was given several weeks ago. In that connection, as a member of the Senate Appropriations Committee, I should like to have placed in the RECORD at this point the complete testimony of Mr. Goodwin, Director of the United States Employment Service, so that the RECORD may be complete, particularly as it relates to utilization of the American domestic labor supply, the use of American Indians, and the use of Puerto Ricans insofar as agricultural employment is concerned.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

FARM LABORERS

Senator CHAVEZ. Yes. Now to some extent your work is concerned with farm laborers, is it not?

Mr. GOODWIN. That is a very important part of our job.

Senator CHAVEZ. Of course it is important, but what are you going—what is the agency doing in order to get American labor to those spots? I am talking about American labor now.

Mr. GOODWIN. In the farm program we are putting all of the emphasis we can on the utilization of domestic labor. We are trying to get it transferred from one place to another; that is, where it is available in one place, and needed some place else.

PLACEMENT OF INDIAN LABOR

Senator CHAVEZ. What are you doing about the Indians? They can get killed on Okinawa or raise a flag on Iwo Jima, but what are you doing to get them a job on a farm?

Mr. GOODWIN. The Indians?

Senator CHAVEZ. Yes.

Mr. GOODWIN. We have worked out programs with the Indian Service for the use of the Indians.

Senator CHAVEZ. What do you do with the Indian himself, not the Indian Service—that is another Bureau in Washington.

Mr. GOODWIN. I know that we have placed many of the Indians on farm work.

Senator CHAVEZ. We have possibly 90,000 Indians in my State, and they are good enough to be killed in Korea, but you prefer to get some Jamaica Negroes or Mexican laborers rather than putting some of those Indians to work. What are you doing as far as American labor is concerned, sir?

Mr. GOODWIN. We have placed many of those Indians; many of them from your State.

Senator CHAVEZ. I don't want the Indian Service to be the determining factor. What do you do about going to the reservations, and getting those Indians a job, such as picking parsley or celery or whatever it may be, in California or Oregon?

Mr. GOODWIN. We have sent people to those reservations, and we have recruited the Indians and placed them on farm work.

PUERTO RICAN LABOR

Senator CHAVEZ. What about the Puerto Ricans? I just saw a picture of a boy the other day at Walter Reed Hospital with two legs gone and a right arm gone. What are you doing about his brother, who may need a job?

Mr. DODSON. As I think you know, Puerto Ricans were not used in World War II.

Senator CHAVEZ. Why? They were used at Guadalcanal.

Mr. GOODWIN. I know, sir.

Senator CHAVEZ. General del Valle was at Guadalcanal and he was at Iwo Jima and at Okinawa. There is not a single American military cemetery anywhere that does not have some Puerto Ricans. Why were they not used for labor? Is that the policy of the Department?

Mr. GOODWIN. I don't know, Mr. Chairman. I think it was a policy of discrimination, and I think it showed up in many places.

EMPLOYMENT SERVICE EXTENDED TO PUERTO RICO

We didn't have the Employment Service extended to Puerto Rico until a few months ago.

Senator CHAVEZ. I know, because the Department would prefer to get Jamaican Negroes who would complain to His Majesty's consul in New Jersey.

Mr. GOODWIN. We favored the extension of the program to Puerto Rico a long time ago.

Senator CHAVEZ. Why have you not done it? Why have you not talked to Senator Knowland or to me about that proposition? Do you not think that, if they are good enough to die for their country, they are good enough to be given work?

Mr. GOODWIN. I absolutely agree with you.

Senator CHAVEZ. What have you done about it?

Mr. GOODWIN. We have been doing everything we can to increase the use of them in the past years.

Senator CHAVEZ. Would you rather get a Mexican laborer from across the border for 80 cents a day than to pay a boy who might have a brother who was killed in the war and pay him sound wages in the United States? Is that not the picture?

Mr. GOODWIN. That is not right, so far as this problem—so far as our attitude toward this problem is concerned. We have been working to get a greater use of them.

I cannot give you the answers to all of these questions as far as World War II is concerned, because I was not in charge of the program then.

UTILIZATION OF FOREIGN LABOR

Senator CHAVEZ. As the chairman of this committee, and as an individual only—and I do not represent the views of the committee—I am not in favor of giving the Department any money to go down and get foreigners to work in the country when we have people like the Indians and local citizens who are around here, and who are drafted, and yet who cannot get a job, while some foreigners are brought into the country to work.

Mr. GOODWIN. I agree with that, except that I would say that we are doing everything we can with the resources we have. Now there was a great deal more done on some phases of this problem in World War II. At that time Congress was appropriating about $30,000,000 a year for that purpose; that is, transportation costs, housing costs, and medical costs. That was all wiped out at the end of the war, and the problem was turned over to the United States Employment Service, and we were expected to do many of the same things without any additional funds.

Senator CHAVEZ. Well, how did you get the Jamaicans or the Panamanians? How did you get them here? That costs money, too, you know.

Mr. GOODWIN. They, because of the conditions that exist in those countries, Mr. Chairman, are willing to come under conditions that our domestic laborers would not—

Senator CHAVEZ. Are we working for the other countries, or are we working for the American citizens? What is this Government for?

Mr. GOODWIN. We are working for the American citizens, of course.

PUERTO RICAN EMPLOYMENT OFFICE

Senator KNOWLAND. How long have you had the Puerto Rican Employment Office?

Mr. GOODWIN. That legislation was passed late in the last session, Senator, and the enabling legislation in Puerto Rico was passed within recent weeks. You might say that it is just now getting under way. The Federal legislation only made it possible. Then they had to pass enabling legislation in Puerto Rico in order to operate, just like the States.

Senator CHAVEZ. I know that the basic legislation for the country is the constitution of the country, am I right?

Mr. GOODWIN. That is right.

Senator CHAVEZ. All right. They are citizens. They had possibly 50,000 in the First World War. In the last war they had a little better than 90,000.

Mr. GOODWIN. Who?

Senator CHAVEZ. The Puerto Ricans. Why should not they be subject to the law of the land, which is the constitution?

Mr. GOODWIN. They should be—and we have done everything that we can to promote their use.

Senator CHAVEZ. You tell us that because some people would work under conditions that they would not work under, you allowed them to come into the country?

Mr. GOODWIN. You asked me why some of the British West Indians and some others came in.

Senator CHAVEZ. That is right. They will go to Delaware and they will go to New Jersey, and if they don't like it there they will go down and complain to His Majesty's consul about it, while the Puerto Rican takes it on the chin.

Mr. GOODWIN. The employers have paid to bring in some of the foreign workers. You mentioned, for instance, the eastern coast, Mr. Chairman. There have been no Mexicans used in that area.

Part of the problem involved here is distance. There has been resistance to the use of Puerto Ricans, for instance, when you get to the western part of the country, because of the transportation.

Senator CHAVEZ. That might be the personal element; that might be the individual element. But I am talking about the Department. What are you doing about it, as a representative of Uncle Sam's Government? I am not complaining about an individual who might not want Puerto Ricans because they are so far away, but I am talking about the policy of the Department, in trying to employ American citizens.

WORK STANDARDS OF PUERTO RICAN LABOR

Mr. GOODWIN. The policy has been one of promoting the use of American citizens which, of course, includes Puerto Ricans. We, on our initiative, entered into a policy and understanding with the Puerto Rican government, soon after this problem came back under our responsibility.

Senator CHAVEZ. But why should you have an understanding with the Puerto Rican government? The Puerto Rican government is like California or New Mexico or Texas. What is the difference?

Mr. GOODWIN. Let me explain, Mr. Chairman. The Puerto Rican government passed a law which said that no one could come down there and recruit Puerto Ricans except under the supervision of the Department of Labor of Puerto Rico. Then they said that in order to recruit they had to hire them under a contract, and they stipulated what the conditions of that contract would be.

Now, that does not mean that the individual Puerto Ricans cannot themselves voluntarily migrate to the United States and get employment—they can. But most of them are unable to do it because they do not have the financial resources. Most of them on farm work get to that farm work by recruitment of employers. Those employers go down there, they advance the transportation, they make the arrangements.

Now, in order to do that, the government of Puerto Rico is insisting that they be brought in and worked under conditions of a contract. That contract goes beyond, in its requirements, what the workers on the mainland of this country normally get in agricultural employment, not what workers in this country should get, but it does go beyond what workers in agricultural work do, as a matter of fact, normally get.

Senator CHAVEZ. Normal pay?

Mr. GOODWIN. I had in mind such things as the requirement of the payment of insurance and a minimum guaranty of a certain amount of employment during the period of the contract; stipulations of that kind. In that respect, Mr. Chairman, they are not the same as workers on the mainland.

Senator CHAVEZ. In other words, Puerto Rico is insisting that they be given what we brag about, American standards of living; is that it? That is, the Puerto Rican government, through law, says, "You recruit workers in this country, but under certain conditions of employment"?

Mr. GOODWIN. That is right, sir. May I add one other point?

Senator CHAVEZ. Certainly.

Mr. GOODWIN. One of the limitations on the use of them is that the Puerto Rican government, when they are recruited under these conditions, which I have mentioned, has taken the position that they do not want them used in the South. They feel that there has been discrimination there, and they have taken a stand against their use there, which restricts the area in which you can get them used.

Senator CHAVEZ. Puerto Rico has insisted on that?

Mr. GOODWIN. Yes, sir.

Senator CHAVEZ. Is that part of the basic law, or have they tried to arrive at an understanding on that point?

Mr. GOODWIN. I don't think that is in the law, Senator. The law gives the Department of Labor of Puerto Rico broad authority to set up regulations and control their use. They have taken that position in relation to the use of them.

Senator CHAVEZ. That is very interesting, because I know of a lot of Puerto Ricans who are buying sugarcane and land in Louisiana and in Florida, yet they will not let their own people, Puerto Ricans, come to work on the farms in, for instance, Florida.

I know of the Sierous family, in Florida, which owns quite a little land, and who are in the banking business, but mainly in the sugarcane business. Senator KNOWLAND, you would be surprised at how many Puerto Ricans have gone into both Florida and Louisiana.

LABOR STANDARDS IN PUERTO RICO

Senator KNOWLAND. How do these standards that the Puerto Rican government has set up compare with their own minimum labor standards for agricultural labor in Puerto Rico?

Mr. GOODWIN. They have some of them, Senator KNOWLAND. I don't know offhand about all of them. Puerto Rico has extended its unemployment insurance law, for instance, to some farm workers, which we have not done.

Senator CHAVEZ. But the pay is different?

Mr. GOODWIN. That is right.

Senator CHAVEZ. When we passed the minimum-wage law, it did not apply to the Puerto Rican laborers.

Mr. GOODWIN. They have gone further in social legislation in some areas than they can easily sustain with their economy. Some of the things they are asking we cannot do. If you would like, I would be glad to furnish for the record a statement on that situation.

Senator KNOWLAND. I think it might be interesting, in view of the discusison here, to have an analysis of the situation.

Mr. GOODWIN. Yes.

(The information requested is as follows:)

"UTILIZATION OF PUERTO RICANS IN AGRICULTURE ON THE MAINLAND

"In 1946 only 200 Puerto Ricans migrated to the mainland for employment; in 1947, 875, and in 1948, 3,500. It was during 1948 that the United States Employment Service first began transmitting orders for laborers to Puerto Rico. The following is a table showing employment of Puerto Ricans in agriculture by States during 1949 and 1950:

	1949	1950
New Jersey	3,132	4,500
New York	982	1,275
Pennsylvania	176	1,116
Michigan	186	[1] 5,300
Washington	400	200
Minnesota	35	500
Delaware	175	50
Ohio	100	1,100
Wisconsin		200
Total	5,186	14,241

[1] Only 900 remained through season.

"The above figures include transfer of workers from one State to another and do not include uncontracted Puerto Rican workers migrated on their own volition. Records of transport companies show that approximately 4,700 different Puerto Ricans came to the United States for employment during 1949. During 1950 approximately 13,500 Puerto Ricans were contracted for agricultural employment on the mainland and in addition, 3,000 workers migrated to New Jersey without contract and 500 were utilized in Florida without benefit of contract.

"In addition to the foregoing estimates, many Puerto Ricans returned to the mainland without contracts to work for employers for whom they had previously worked under contract.

"On December 5, 1947, the Puerto Rican government passed legislation regarding the migration to the United States and other countries. This act includes the following statement:

" 'The government of Puerto Rico neither encourages nor discourages the migration of Puerto Rican workmen to the United States or any foreign country.'

"Based upon the authority granted in the afore-mentioned act, the government of Puerto Rico has required that agricultural workers migrating to the mainland migrate under a contract. This contract essentially provides the guaranty of 160 hours of work in each 4-week period. Provision by the employer for subsistence to the workers while in transit and prior to employment. The contract provides for the payment to Puerto Rican workers of the minimum prevailing hourly rate or the prevailing piece rates, whichever is greater. It provides that the worker may not be required to work in excess of 8 hours in any one day or 48 in any calendar week. It further provides for the coverage, by the employer, of the employee under the workmen's compensation laws of the State in which the employee is working. This compensation coverage provides for the employer to assume liability for the same risks and in the same amounts as is afforded to industrial workers covered by the workmen's compensation laws of the State of employment.

"The contract further provides that the employees shall not be subject to discrimination by the employer as regards housing facilities or in any other regard because of race, color, creed, etc. The contract provides

that the employer, without cost to the employee, shall provide adequate hygienic housing facilities. The employer is obligated to provide three adequate meals per day at a cost to the employee not in excess of $1.50 per day. However, the employer may provide cooking and eating facilities and the employee will prepare his own meals. The contract provides for a minimum employment of 12 weeks and if it is necessary to terminate the work agreement other than due to an act of God, such as hurricanes, tornadoes, fires, or floods, the employer will be responsible for finding another employer willing to assume the obligations of the contract or return the worker to Puerto Rico at the employer's expense.

"The contract also provides withholding of 5 cents per hour or 9 percent of piecework earnings of the employee to be paid as a bonus to the employee upon completion of the contract.

"The employer is obligated to procure and maintain in effect a performance bond in form and amount satisfactory to the commissioner of labor of Puerto Rico.

"The contract provisions summarized above reflect benefits available to Puerto Rican agricultural workers while employed in Puerto Rico.

"On April 5, 1941, the Puerto Rican government approved a minimum wage and hour law which applies to agriculture as well as industry.

"Under the Sugar Act, minimum wage rates are determined annually. This determination includes wage increases based upon the average price of raw sugar prevailing in the immediately preceding 2-week period. This act also provides that overtime shall be paid at double the applicable minimum hourly rate for persons employed in more than 8 hours in any 24-hour period. It also provides that piecework rates shall not be less than the applicable daily or hourly rate. In addition, the producer is required to furnish the laborer, without charge, perquisites customarily furnished by him such as a dwelling, garden plot, pasture lot, and medical services. Attached is a copy of wage rates, sugarcane, Puerto Rico, 1951, developed pursuant to the Sugar Act of 1948.

"Due to the fact that Puerto Rico is 90 percent agricultural, the minimum age requirements for employment have been applied to agricultural employment as well as industrial employment. Puerto Rico's minimum-age requirements are 16 during school hours and 14 outside of school hours. In addition, workmen's compensation benefits have been granted agricultural workers. Few States on the mainland have coverage of agricultural workers. The State of Ohio and Puerto Rico provide compulsory coverage for agriculture for employers of three or more. Hawaii's coverage is for all agricultural workers, coverage in Connecticut (for three or more), in New Jersey and in Vermont (for employers of eight or more). In New Jersey, however, farmers are not required to insure.

"PUERTO RICAN LABOR

"STATEMENT OF POLICY

"The United States Employment Service will consider Puerto Rico as a supply source of domestic labor and will extend, through its national office, clearance orders to the Puerto Rican Department of Labor, after clearance has been made in the State and region of demand, and thereafter in interregional clearance if labor demands of the employer have not been satisfied. If an employer states a preference for Puerto Rican labor and the State agency determines that labor is not available within the State, or adjoining States, the order may be extended by the national office to Puerto Rico.

"Authority for the recruitment of Puerto Rican workers will be granted by the commissioner of labor of Puerto Rico, only after the United States Employment Service has furnished information to the commissioner of labor that the supply of available labor to the State of demand is not sufficient to meet the requirements of the employer.

"Orders received from employers who specifically request foreign workers shall be processed only after positive effort is made by the local office to encourage the employer to use Puerto Rican labor. Therefore, local office personnel will point out to employers that Puerto Ricans shall be considered for employment prior to any consideration of the use of foreign labor.

"Any exception to this policy will be determined by the national office on the merits of each individual case and the commissioner of labor of Puerto Rico shall be informed of the findings in such cases.

"Approved this 10th day of February 1949.

"———— ————,

"Commissioner of Labor of Puerto Rico.

"ROBERT C. GOODWIN,

"Director, Bureau of Employment Security.

"RECRUITMENT OF PUERTO RICAN WORKERS

"1. When an employer places an order with a local office of the United States Employment Service system, every effort will be made to recruit workers locally. In the event that workers cannot be found locally in accordance with United States Employment Service policies and standards, the order, with the permission and cooperation of the employer will be extended to other offices through normal clearance procedures.

"2. In the event that workers cannot be so obtained, the employer will be told then that workers in a wide range of agricultural skills and occupations may be found in Puerto Rico. The local office will explain to the employer that Puerto Rican labor shall be considered for employment prior to any consideration of the use of foreign labor, and a definite effort shall be made to encourage the employer to use this source of labor supply.

"3. The national office shall furnish to field offices information concerning the attributes and qualities of Puerto Rican workers, including experience records, personal characteristics, and any other information deemed pertinent and necessary as conditions of employment.

"4. Should the employer agree to employ Puerto Rican workers, the order will be directed through channels to the national office for clearance to the New York office of the Puerto Rican Department of Labor. A copy of such order shall be forwarded by the United States Employment Service to the Veterans Employment Service in Puerto Rico for informational purposes.

"5. If an employer states a preference for Puerto Rican labor and the State employment service in the area of demand determines that labor is not available within the State or adjoining States, the order may be extended by the national office to the New York office of the Puerto Rican Department of Labor.

"6. The Puerto Rican Department of Labor shall notify the United States Employment Service within 5 days from receipt thereof, of the acceptance or rejection of the order, such notification to be made by telegram direct to the Farm Placement Service, United States Employment Service.

"7. The Puerto Rican Department of Labor will designate the point or points of recruitment within Puerto Rico at which workers will be contracted and will assume responsibility for determining the eligibility of workers to be contracted.

"8. The Puerto Rican Department of Labor will attempt to limit the selection of Puerto Rican workers to those who have an established agricultural experience background, and preference in selection should be given to those who are regularly employed in farm work and who are primarily interested in seasonal employment on the mainland during the off season in Puerto Rican agriculture. Each employer or his duly designated representative shall be responsible for conducting positive recruitment in order to assure that capable workers have been screened and selected.

"9. Upon confirmation of acceptance of an order, the Puerto Rican Department of Labor shall notify the employer of the time and place of contracting and any other necessary arrangements incident to the recruitment.

"10. Orders received by the national office requesting foreign workers shall be accompanied by a statement of the State agency establishing that the employer has been offered Puerto Rican labor, and supporting information that the employment of Puerto Rican labor will cause undue hardship to the employer.

"11. Exceptions to this procedure to be used in the employment of Puerto Rican workers shall be determined by the national office on the merits of each individual case, and the commissioner of labor of Puerto Rico shall be informed of the findings in such cases.

"Approved this 19th day of February 1949.

"———— ————,

"Commissioner of Labor of Puerto Rico.

"ROBERT C. GOODWIN,

"Director, Bureau of Employment Security."

SUGAR ACTS

Senator CHAVEZ. I wish you would furnish for the record, if you can, the Sugar Act, which fixes the standards for Puerto Rican labor. As a general rule, it is the Sugar Act that controls.

Mr. GOODWIN. Yes.

(The information requested is as follows:)

[Reprinted from Federal Register of December 29, 1950]

"UNITED STATES DEPARTMENT OF AGRICULTURE, PRODUCTION AND MARKETING ADMINISTRATION—WAGE RATES; SUGARCANE; PUERTO RICO; 1951

"TITLE 7, AGRICULTURE; SUBCHAPTER VIII, PRODUCTION AND MARKETING ADMINISTRATION (SUGAR BRANCH), DEPARTMENT OF AGRICULTURE; SUBCHAPTER H—DETERMINATION OF WAGE RATES (SUGAR DETERMINATION 867.3); PART 867, SUGARCANE, PUERTO RICO

"Calendar year 1951

"Pursuant to the provisions of section 301 (c) (1) of the Sugar Act of 1948 (herein referred to as "act"), after investigation, and consideration of the evidence obtained at the public hearing held in San Juan, Puerto Rico, on October 5 and 6, 1950, the following determination is hereby issued:

"SEC. 867.3. Fair and reasonable wage rates for persons employed in the production, cultivation, or harvesting of sugarcane in Puerto Rico during the calendar year 1951— (a) Requirements: The requirements of section 301 (c) (1) of the act shall be deemed to have been met with respect to the production, cultivation, or harvesting of sugarcane in Puerto Rico for the calendar year 1951 if the producer complies with the following:

"(1) Wage rates: All persons employed on the farm in the production, cultivation, or harvesting of sugarcane shall have been paid in full for such work and shall have been paid wages in cash therefor at rates as agreed upon between the producer and the laborer but, after the date of issuance of this determination, not less than the following:

"(1) Day rates (a) basic rates: The basic day rate for the first 8 hours of work performed in any 24-hour period (except that for ditch diggers, ditch cleaners, or field flooders in class E, herein below, the applicable day rate shall be the first 7 hours of work

performed in any 24-hour period) shall be as follows:

Class of work	Basic rates per day	
	Farms other than interior farms	Interior farms [1]
A. All kinds of work not classified below	$1.50	$1.40
B. Operators of mechanical equipment, such as tractors, trucks, tractor plows	2.35	2.20
CLASSIFIED NONHARVEST OPERATIONS		
C. Cartmen in cultivation work	1.60	1.50
D. Plow steersmen and operators of irrigation pumps, and all work connected with mixing and applying chemical weed killers	1.80	1.65
E. Ditch diggers, ditch cleaners, field flooders (per 7-hour day) [2]	1.80	1.65
CLASSIFIED HARVEST OPERATIONS		
F. Cartmen in harvest work	2.00	1.80
G. Sugarcane cutters (for grinding or planting), seed cutters, crane operators, dumpers	1.80	1.65
H. Portable track handlers, railroad or portable track car loaders	2.00	2.00
I. Crane cart or truck loaders	1.90	1.80

[1] Interior farms shall be deemed to be those farms which were classified as interior farms for the calendar year 1949.

[2] Field flooders shall be deemed to be workers who set up or remove banks in drainage ditches when used for flooding sugarcane fields.

"(b) Wage increases: For each 10 cents or fraction thereof that the price of raw sugar (duty-paid basis, delivered) averages more than $3.80 per 100 pounds, but not more than $7 per 100 pounds for the 2-week period immediately preceding the 2-week period during which the work is performed, a wage increase of 4.5 cents per day above the rate prescribed under subdivision (i) (a) of this subparagraph shall be paid for each day of work during such 2-week period: *Provided*, That the average price of raw sugar prevailing during the period from December 7 through December 20, 1950, shall determine the amount of wage increase effective during the work period January 1 through January 3, 1951, and thereafter the amount of wage increases in successive 2-week work periods shall be determined by the average price of raw sugar prevailing in the immediately preceding 2-week period. The 2-week average price of raw sugar (duty-paid basis, delivered) shall be determined by taking the simple average of the daily spot quotations of 96° raw sugar of the New York Coffee and Sugar Exchange (domestic contract) converted to 100 pounds and adjusted to a duty-paid basis, delivered, by adding to each daily quotation the United States duty prevailing on Cuban raw sugar on that day, except that, if the Director of the Sugar Branch determines that for any 2-week period such average price does not reflect the true market value of raw sugar, because of inadequate volume or other factors the Director may designate the average price to be effective under this determination.

"(ii) Hourly rates: Where persons are employed on an hourly basis for a period not in excess of 8 hours (7 hours in class E) in any 24-hour period, the hourly rate shall be determined by dividing the applicable day rate provided in subdivision (i) of this subparagraph by 8 (by 7 in class E).

"(iii) Overtime: Persons employed for more than 8 hours (or 7 hours under Class E) in any 24-hour period shall be paid for the overtime work at a rate double the applicable hourly rate provided in subdivision (ii) of this subparagraph.

"(iv) Piecework rates: If work is performed on a piecework basis, the average earnings for the time involved on each separate unit of work for which a piecework rate is agreed upon shall be not less than the applicable daily or hourly rate provided in subdivisions (i), (ii), and (iii) of this subparagraph.

"(2) Perquisites: In addition to the foregoing, the producer shall furnish to the laborer without charge the perquisites customarily furnished by him such as a dwelling, garden plot, pasture lot, and medical services.

"(b) Subterfuge: The producer shall not reduce the wage rates to laborers below those determined herein through any subterfuge or device whatsoever.

"(c) Claim for unpaid wages: Any person who believes he has not been paid in accordance with this determination may file a wage claim with the Caribbean Area Office, Production and Marketing Administration, San Juan, P. R., against the producer on whose farm the work was performed. Such claim must be filed within 2 years from the date the work with respect to which the claim is made was performed. Detailed instructions and wage-claim forms are available at that office. Upon receipt of a wage claim the Caribbean Area Office shall thereupon notify the producer against whom the claim is made concerning the representation made by the laborer and, after making such investigation as it deems necessary, shall notify the producer and laborer in writing of its recommendation for settlement of the claim. If the recommendation of the area office is not acceptable, either party may file an appeal with the Director of the Sugar Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C. Such appeal shall be filed within 15 days after receipt of the recommended settlement from the area office; otherwise such recommended settlement will be applied in making payments under the act. If a claim is appealed to the Director of the Sugar Branch, his decision shall be binding on all parties insofar as payments under the act are concerned.

"STATEMENT OF BASES AND CONSIDERATIONS

"(a) General: The foregoing determination provides fair and reasonable wage rates which a producer must pay as a minimum for work performed by persons employed on the farm in the production, cultivation, or harvesting of sugarcane in Puerto Rico during the calendar year 1951, as one of the conditions for payment under the act. In this statement the foregoing determination, as well as determinations for prior years, will be referred to as 'wage determination', identified by the calendar year for which effective.

"(b) Requirements of the act and standards employed: In determining fair and reasonable wage rates it is required under the act that a public hearing be held, that investigations be made, and that consideration be given to (1) the standards formerly established by the Secretary under the Agricultural Adjustment Act, as amended, and (2) the differences in conditions among various sugar-producing areas.

"A public hearing was held in San Juan, P. R., on October 5 and 6, 1950, at which interested persons presented testimony with respect to fair and reasonable wage rates for the calendar year 1951. In addition, investigations have been made of the conditions affecting wage rates in Puerto Rico. In this determination consideration has been given to testimony presented at the hearing and to information resulting from investigations. The primary factors which have been considered are (1) prices of sugar and byproducts; (2) income from sugarcane; (3) cost of production; (4) cost of living; and (5) relationship of labor cost to total cost. Other economic influences also have been considered.

"(c) Background: Determinations of fair and reasonable wage rates for Puerto Rico have been issued each year since 1938. The first wage determination increased wage rates over those that had prevailed during 1937 and immediately preceding years. The relationship of wages to income of producers was generally maintained, however, in the same ratio as had existed theretofore in the collective bargaining agreements negotiated between producers and laborers. In the 1938 wage determination the basic wage rate for the least skilled workers was $1 per 8-hour day. This rate was increased to $1.30 in 1942 and $1.50 in 1943. Commensurate increases were made in the rates for workers of higher skills during those years and in 1944. Subsequent to 1944 basic wage rates have remained unchanged.

"In 1940, when increases in raw sugar prices were anticipated, there was incorporated in the wage determination a provision for wage increases over and above basic wage rates when the price of raw sugar exceeded a stated price. While details of the wage increment plan changed in subsequent years, the wage determinations in all years except for a portion of 1943 have included a wage-price escalator scale. In the 1948 wage determination the wage escalator scale provided that increases of 4.5 cents per day above the basic day wage rates shall be paid for each 10 cents, or fraction thereof, increase in the 2-week average price of raw sugar above $3.80 per 100 pounds. This scale was maintained in the 1949 and 1950 wage determinations.

"In the 1938 wage determination basic daily wage rates were established for various classes of workers grouped according to relative skills. In subsequent years revisions have been made in the classification and grouping of jobs as a result of changes in production methods. In all years since 1938 a differential in rates has been provided for farms delivering sugarcane to certain mills in the interior region of the island.

"(d) 1951 wage determination: The basic wage rates and the wage-price escalator scale of the 1951 wage determination continue unchanged from those in effect in the 1950 wage determination.

"An examination of factors customarily considered in wage determinations, in the light of conditions likely to prevail during 1951, indicates a reasonable basis for continuing the basic wage rates and wage-price escalator scale of the 1950 wage determination.

"In making this determination the Department had available data with respect to the costs, returns, and profits of the Puerto Rico sugar industry. These data show that the maintenance of the 1950 scale of wage rates for 1951 will not prejudice the ability of producers to pay such wages. Since the wage increments of the escalator scale are geared to changes in the market prices of sugar, wage rates in 1951 will be responsive to income changes which result from sugar prices. Thus, the relationship of wage rates to sugar prices should remain about the same as in previous years.

"The latest available information on living costs of workers in Puerto Rico indicates that costs of food and clothing were about the same as for the comparable period in 1949. However, more recent reports for the continental United States indicate advances in living costs. Similar increases probably will occur in the living costs of Puerto Rican workers. During recent years workers have received a relatively favorable real wage, as compared with 1943–44, and with moderate increases in living costs, this position should be maintained.

"At the public hearing a substantial amount of testimony pertained to changes in production methods which result in displacement of workers or anticipated loss of work opportunities. Representatives of producers recommended a reduction in the wage

rates for certain classes of workers while labor-union representatives recommended increases in wage rates and, in some cases, recommended a prohibition of the use of particular labor-saving practices. While consideration has been given to this testimony and to the recommendations made in connection therewith, in view of the analysis set forth above the recommendations on wage rates have not been adopted. The prohibition against the use of any production method is not within the scope of wage determinations.

"As in previous wage determinations, in addition to cash wages the workers must be furnished without charge customary perquisites such as a habitable house, medical attention, and similar items.

"On the basis of the analysis of all factors customaril, considered in wage determinations, it is indicated that the wages provided in this determination are fair and reasonable.

"Accordingly, I hereby find and conclude that the foregoing wage determination will effectuate the wage provisions of the Sugar Act of 1948. (Sec. 403, 61 Stat. 932; 7 U. S. C., sup. 1153. Interprets or applies sec. 301, 61 Stat. 929; 7 U. S. C. sup. 1131.)

"Issued this 26th day of December 1950.

"CHARLES F. BRANNAN,
"Secretary of Agriculture."

PUERTO RICAN LABOR CONTRACTS

Mr. GOODWIN. If I may, Senator, I would like to add this: In 1946, according to the best estimates we could get, there were 200 Puerto Ricans brought in under contractual arrangements.

In 1947 there were about 875 that were brought in. We got the program in 1948. We stepped it up some in 1948 when we brought in about 3,500.

In 1949 it went to about 4,000. These are the Puerto Ricans under contract, now, not counting those that came in under their own steam.

Senator CHAVEZ. The ones under contract come in and work, say, for 4 or 5 or 6 months and then go back?

Mr. GOODWIN. That is right, sir.

Senator CHAVEZ. That is part of their contract?

Mr. GOODWIN. Yes.

Senator CHAVEZ. That is, that they are to be returned?

Mr. GOODWIN. That is right—although, if they choose not to return, there is no compulsion. There is an incentive, in terms of transportation costs, that is held out. The money is available for them.

Senator CHAVEZ. What is the record on that? Do they go back?

Mr. GOODWIN. Most of them do. The places where there has been a significant percentage of them stay is where they are located close to centers, such as New York, where there are fairly large groups, and they may have relatives, and are inclined to stay.

The agricultural employment season in Puerto Rico and in the United States dovetail very well. You can use the farm workers of Puerto Rico in the United States during the Puerto Rican off season. Many of them do not like the winter climate here. The majority of farm workers prefer to go back after they have worked through the summer months.

Senator CHAVEZ. What I have in mind is this: The United States is contributing millions and millions of dollars in different ways to Puerto Rico. If they can help themselves by working, it will save us quite a little. If we can, we should use the Puerto Ricans and the Indians.

PLACEMENT OF INDIANS

Now, we spend a lot of money for our Indians. I have seen the amount grow, during my short time in Congress, from $22,000,000 a year to $56,000,000 a year. We should try to get the Indians in my State and elsewhere to earn—and they want to earn—the American dollar very much. So, why not use them instead of someone else?

Mr. GOODWIN. Mr. Chairman, I regret that I am not prepared to give you offhand the figures that are involved in the placement of Indians, but we have done a lot of it. I would like to submit to you a statement of how much we have done on the placement of Indians.

Senator CHAVEZ. You take even in New York, right outside of Buffalo, there are, I think, 14 square miles of Indian reservation, and there is nothing but a bunch of beggars around there. Also, there are reservations around Rochester and other places. Those folks are entitled to decency, at least to work.

Mr. GOODWIN. That is right; everyone is entitled to work.

EMPLOYMENT OF NAVAJO INDIANS

Mr. KEENAN. Last year for the first time on the Navajo Reservation in the Southwest, every available Navajo who would take farm work was given a farm job. We used them as far north as Idaho.

Senator CHAVEZ. The Navajos form a potential of at least 30,000 employees.

Mr. KEENAN. We went in there and recruited them, any everyone who accepted employment was given employment. They were used up as far as Idaho. Every one of them who would take a job was given a job. Arrangements are being made this year for the same thing, and we expect to get even more. One of the problems there is that some of them did not want to leave the reservation, but we did use most of them last year.

Senator CHAVEZ. We tried to move some people from Arkansas and the marginal area there in the early days of the New Deal. People don't like to leave their homes. That is only natural, but they do like to work and to earn money. They want to be self-sufficient, instead of accepting the handouts of the Indian Bureau.

EMPLOYMENT OF OTHER INDIAN TRIBES

Mr. GOODWIN. We also placed a large number from the reservations up in the Dakotas—both North and South Dakota.

I would like to submit a statement on that.

Senator CHAVEZ. I wish you would, because that is one of the bad areas. The situation in the Dakotas is possibly worse than in New Mexico, California, or Arizona. In California they are getting a nice deal. They are being accepted, they go to public school, Senator, as you know, they are just Jim Jones or John Doe, and it is working out fine. But the Dakotas are really a bad area.

(The information requested is as follows:)

"EMPLOYMENT OF AMERICAN INDIANS IN AGRICULTURE

"The policy of the United States Employment Service in governing the placement of American Indians in employment is no different than that applying to other domestic workers. In other words, it calls for the full utilization of available and qualified domestic labor supplies before going elsewhere in search of workers to fill labor requirements.

"Methods used in recruiting Indian workers are much the same as used for other workers. It is frequently necessary, however, to expend far greater effort in recruiting Indian workers since they may be hampered by language difficulties (one reservation has only approximately 20 percent who speak English) tied to tribal custom and ceremony, live in relatively remote places, cannot be reached by telephone or telegraph, and are often unskilled.

"Efforts by the United States Employment Service and State affiliated service to recruit and utilize Indians in agriculture began in the early 1940's prior to the transfer of the Farm Placement Service to the United States Department of Agriculture in January 1943. Upon return of the Farm Placement Service to the Department of Labor in 1948, efforts to place and utilize Indians in agriculture as well as other work were substantially increased. A practical program with these objectives is now in effect nationally and, as a result, in 1950, 31,280 placements of Indians in agriculture were made—an increase of 20 to 25 percent over 1949. These placements were the result of organized recruitment on the reservations. Many others were placed who left their reservations voluntarily. Since records in local employment offices do not distinguish an Indian from any other applicant, the exact number of these placements is unknown.

"In addition, large segments of the Indian population are either self-employed, engaged in construction and railroad maintenance, military depots, or other industrial work. Progress has also been made in placing graduates of Indian schools in immediate employment, one State agency reporting 100 percent placements for 1950.

"At the present time there is a demand for 13,150 Indians in Arizona and 3 surrounding States for agriculture and railroad employment with a supply available for off-reservation work of only 11,250. The Navajo-Hopi Reservation at Window Rock cannot supply the demand for Indian labor in the South Central and Mountain States. Railroads and agriculture offer the majority of jobs."

NUMBER OF PUERTO RICANS RECRUITED IN 1950

Mr. GOODWIN. Mr. Chairman, I did not quite finish.

In 1950 we brought in approximately 13,500 Puerto Ricans and we are hoping that that number will be considerably increased this season.

Senator KNOWLAND. Do you mean 13,500 under contract?

Mr. GOODWIN. Yes, sir. This is just on farm work. We estimate that there were another 3,500 at least, who came in under their own steam to take farm employment.

* * * *

DECREASE IN PERSONNEL

Senator KNOWLAND. Should not there be some curtailment in the personnel in the unemployment compensation phase of your work, with practical maximum employment in the country, with employment getting to the point where we have practically a rock bottom unemployable group left on the unemployment rolls? It would seem to me that at least that phase should drop off considerably. Have you any figures to show how much it is dropping off?

Mr. GOODWIN. Yes. The $6,361,000 reserve that was taken by the Bureau of the Budget under section 1214 of the Appropriations Act of last year was for that reason. I mean that there had been a dropping off in unemployment insurance claims.

Senator KNOWLAND. Was that done for that reason or because of the action taken by Congress?

Mr. GOODWIN. That was the justification, the drop in the case load.

As you recall, the Congress made the cut on a general basis, and then requested that it be applied by the Bureau of the Budget, which in turn decided that that much could be taken off on the unemployment insurance program.

Senator KNOWLAND. You were, therefore, not hurt in your appropriation on the unemployment phase of your program by the action of Congress last year?

Mr. GOODWIN. No; we are not contending that we were.

Now, my only point on this is that one slash was taken and we are recommending a further slash here. There are some phases of unemployment insurance, however, that do not go down in this kind of a period. I give some attention to that in my statement, and try to analyze what we are up against on that.

TRANSFER OF FUNDS FOR DEFENSE ACTIVITIES

Senator CHAVEZ. You are talking about the possibility of a supplemental request, notwithstanding the fact that you will be allowed 367 new employees and $954,250 out of funds that you did not get from the Department, but out of Presidential funds? Will you explain that? You are contemplating an expansion of activities for 1951 to be financed out of allotments for expenses of defense production by the Executive Office of the President?

Mr. GOODWIN. Is that the appropriation that is before the House Deficiency Committee, sir?

Senator CHAVEZ. Yes. This is the House report. It indicates that that amount will be transferred to your agency. That is shown on page 136 on the hearings before the subcommittee of the House.

Mr. GOODWIN. That relates to the departmental appropriation. What I was referring to here was the grants to the States.

You see, we have two distinct and different appropriations.

ADDITIONAL EMPLOYEES

Senator CHAVEZ. I know, but you have not mentioned that you are getting this, outside of what you are asking for here. You did not mention this insertion on page 136 of the House hearings. You are to get in addition practically $1,000,000 to take care of 367 additional employees.

Mr. GOODWIN. That was defense needs requested by us, and part was approved by the Bureau of the Budget for departmental funds. The whole matter has been placed in doubt by the action of the House Appropriations Committee.

Senator CHAVEZ. Yes; I know; but what we would like to get is a complete picture. If you need these 367 more employees, why don't you tell us about it? You do not tell us that you want something else, and you do not tell us that that something else may come from some other agency of the Federal Government. I think if you did you would get along better.

Mr. GOODWIN. That is what we felt we needed for the supplemental funds.

Senator CHAVEZ. Why do you not tell us that, instead of having it covered up elsewhere? Why do you not tell us that you need 367 additional people?

Mr. KEENAN. Mr. Goodwin was speaking of the State grants. This is our Federal budget. We had not started to talk about that. We had two kinds of funds—the money that we have for State grants and then our own Federal budget. We have not talked about our own Federal budget.

Senator CHAVEZ. That is right. Possibly I was a little ahead of you.

Mr. GOODWIN. If it is satisfactory to the committee, I will proceed and then come back and cover this later?

Senator CHAVEZ. Go ahead, sir. You might elaborate a little further on with regard to Senator KNOWLAND's question; that is, if employment keeps on the increase—and the chances are that it will—why should you not reduce instead of increasing your expenses—including the Federal aid to the States?

Mr. GOODWIN. That is a very good question. I have an analysis of that in my statement; and if it is satisfactory to you, I will present that, and then we can get at the rest of it by questions.

Senator KNOWLAND. As long as we get the information.

INCREASE IN STATE SALARY RATES

Mr. GOODWIN. I should like to comment on the effect of State salary rates on our total needs. When we appeared before you in connection with the 1951 request, we were using in our estimate an average State salary rate of $2,810 per year. By July 1, 1950, when we made our first allotment to the State, it had increased to $2,887. Contemplating further increases, we estimated an average annual rate of $3,003 in our 1952 request. Our estimate was too conservative, however, because the rate is now over $3,100.

Primarily, the increases are due to the continued reductions in the unemployment-insurance claims workload. To a large extent, this job is done by people in the lower pay grades, and when they are laid off in substantial numbers, as has been the case during most of 1951, the average salary rate rises sharply. Several States have also made general increase in their salaries, and this, too, increases the average annual rate.

To point out the over-all effect of increases in State average annual salaries, our 1952 request would be smaller by approximately $8,000,000 if the salary rate used were the same as the $2,810 rate we used in our request to you for fiscal year 1951.

In developing our estimates for the States' budget, we have combined estimated workloads for the principal employment-security functions and the time factor, or length of time necessary to do a single unit of work. This result, together with costs of State administration and nonpersonal services is converted to the activities you see in our request. With one minor exception, our time factors are no larger than in 1951, and in several cases they are less. The estimate for the cost of nonpersonal services—an area which is greatly influenced by rising prices—is approximately the same as for 1951 and somewhat under current rates of expenditures.

1952 REQUEST FOR UNEMPLOYMENT INSURANCE ACTIVITIES

For all unemployment insurance activities, our request for 1952 totals $73,006,800, a decrease of $8,960,000 from 1951. This request reflects a continuation of the workload trends that developed in 1951 but on a more modest basis.

Claims activity will continue to decline, but not as sharply as in 1951; and tax-collecting activities will increase.

Let me briefly explain the request by activity:

TAX COLLECTING AND AUDITING

The first activity is tax collecting and auditing. This covers such things as determining which employers are covered under the unemployment insurance laws, determining the tax rate, collecting the taxes, and auditing employer accounts. We are requesting $22,183,300 for this activity, an increase of $745,900 from 1951.

Senator KNOWLAND. Are not some of those functions carried on by the States

Mr. GOODWIN. All of them are, but the Federal Government finances them. What I am talking about now, Senator, is all administered by the States.

Senator CHAVEZ. The grants are made by the Federal Government to the individual States?

Mr. GOODWIN. These are the grants. I understood that what the committee wanted, was not just plus or minus figures, but rather, some basic material, as justification.

Senator CHAVEZ. That is right.

UNEMPLOYMENT INSURANCE WORKLOAD

Mr. GOODWIN. In terms of workload, the request includes 6,200,000 tax returns to be processed and 820,000 determinations of employers' liability under the State unemployment insurance laws.

These workloads do not normally fluctuate materially from year to year. They reflect the general improvement in the economy, and are the minimum necessary for the States to carry out their obligations under State laws.

MAINTENANCE OF WAGE RECORDS

Closely akin to this activity is the next one, which covers maintenance of wage records. This consists of processing the employers' reports of the workers' earnings and establishing an individual file record of such earnings. Our request for this activity is $6,636,900, to cover the processing of an estimated 158,000,000 individual wage records for 1952, which are expected as a result of high levels of defense and civilian employment.

1952 AMOUNT FOR PROCESSING OF CLAIMS

The next four activities, namely, initial claims taking, claims processing, continued claims taking, and benefit payment processing, are all very closely related. They involve the taking of the claim, the determination of the amount to be paid, the actual payment of the claim, the necessary record keeping, and the fraud prevention and detection activities. Our estimate for these activities totals $40,838,600, which is a decrease of $9,015,700 from 1951.

PAYMENTS OUT OF UNEMPLOYMENT RESERVES

Senator KNOWLAND. I wonder if we can insert in this record, even though it may be in the House record, just what the claims have been on these unemployment reserves, say, for the past 10-year period?

Mr. GOODWIN. On the reserves, sir?

Senator KNOWLAND. The payments out to unemployed people.

Mr. GOODWIN. Yes.

Senator KNOWLAND. So that we can see the volume of work that is being handled throughout the country.

Mr. GOODWIN. Yes; we will be glad to furnish that for the record. That would be the amount of money paid out of these funds?

Senator KNOWLAND. And the number of claims, because that certainly should have some relationship to the number of people employed in processing those claims.

From the point of view of the collection of taxes, and so forth, and the auditing of accounts, I can see how that job is a more or less continuous job and would not fluctuate too much, but, in the paying-out process, there certainly should be a considerable fluctuation between a high point of unemployment and a low point of unemployment.

Mr. GOODWIN. That is right. The first part, however, is the part that so many people forget, about unemployment insurance, and that is that you have this regular cost of collecting taxes and keeping the wage records.

Senator CHAVEZ. That goes on.

Mr. GOODWIN. And even in periods like this, it goes up.

Senator KNOWLAND. Why is there more employment?

Mr. KEENAN. Because there are more employers from whom to collect taxes.

Mr. GOODWIN. That is right. It is related to the number of employers.

I have some figures here on how it ran, a comparison for the period July to December of 1949 with July to December of 1950, in your State, Mr. Chairman, if you would like that.

Senator CHAVEZ. That is fine. But there will be plenty of time to get the information in the record, if you will give it to us, say, for a 10-year period, a comparative study.

Mr. GOODWIN. I can do that for all States, and put it in the record.

Senator CHAVEZ. Very well.

Mr. CORDON. Mr. President, I yield 5 minutes to the junior Senator from Washington [Mr. CAIN].

Mr. CAIN. Mr. President, I rise in support of the amendment offered by my colleague, friend, and neighbor, the senior Senator from Oregon [Mr. CORDON].

S. 984 proposes to supply agricultural workers from Mexico, not from Hawaii, not from Canada, not from any other country in the Western Hemisphere—from Mexico only.

S. 984 would establish reception centers "at or near the places of actual entry

of such workers into the continental United States." That means, Mr. President, reception centers in California, Texas, and perhaps Gulf cities in Louisiana, Alabama, Mississippi, and Florida.

S. 984 requires an employer to pay the total transportation cost of the workers he may hire to and from those reception centers. It is a long way and many dollars from the Mexican border to the State of Washington. It is many miles from the Gulf Coast to Idaho and Montana.

Washington State is so far from the Mexican border that the cost involved in paying the total cost of the workers' transportation to and from the border is prohibitive. When these workers get into our area it will be necessary to move them to three or four different localities during the season; these localities may be 200 to 300 miles apart. For example, the first big need for this type of labor in our area is in sugar beet thinning in Idaho or western Montana in April and May. During June and July many of these workers can be moved to the green pea harvest area in eastern Oregon and Washington, at least 250 miles from the beet area. Then in August they would be moved to the Puget Sound area, northwest Washington, or to the Willamette Valley and Medford in Oregon to harvest soft fruits, beans, peas, and other vegetables. Then they would be needed in late September and October in the apple harvest in the Hood River, Oreg., area, the Yakima Valley and Wenatchee-Okanogan area of Washington, or in the potato harvest of central Oregon and Washington.

If employers were required to pick these workers up at reception centers at or near, the Mexican border, it would cost them approximately $50 each way, or $100 a man, to get them to and from the border. Then these moves within the area already referred to would cost at least $30 a man for transportation and subsistence. Also, Senate bill 984 provides that employers reimburse the Government for recruiting expense up to $20 a man.

This would mean that under such a program, it would cost an employer a total of $150 a man in addition to camp costs and food and wage compliance.

The growers of Oregon, Washington, and western Idaho cannot afford these additional increased costs of $2 per man-day for Mexican Nationals over and above the cost of domestic labor.

Mr. President, the amendment of the Senator from Oregon is not sectionalism; it favors no one area over another. Neither he nor I seek a special privilege for the growers in our northwestern States. Simple justice, plain equity, demand that farm labor employers in every section of the country—New England, the Dakotas, Wisconsin, Michigan, and Minnesota—receive equal treatment with their southern or midwestern neighbors and friends.

The amendment of the senior Senator from Oregon simply gives to the Secretary of Labor the necessary discretion to locate these Mexican labor reception centers at points equidistant from all areas where supplemental farm labor is needed.

I encourage my colleagues to exercise their American sense of fair play and accept this amendment which has been so ably offered by the senior Senator from Oregon.

Mr. CORDON. Mr. President, I reserve the time remaining to me, and yield the floor so the Senator from Louisiana [Mr. ELLENDER] may speak.

Mr. ELLENDER. Mr. President, by the adoption of the amendment offered by the Senator from Oregon the bill would be changed in four major ways.

In its present form the bill provides that the Secretary of Labor shall establish, at or near the border between the United States and Mexico, reception centers to which Mexican labor would be brought from the interior of Mexico. At the reception center the worker would enter into a contract with American employers for temporary employment in the United States. The pending amendment would make it possible for the Secretary of Labor to establish these centers at interior points in the United States, away from the Mexican border.

The first objection to the amendment is that it would change the basis of the bill from one attempting to implement the present method of importing Mexican labor, to one of meeting an emergency. The program contemplated by the pending bill would continue to make Mexican workers available in those areas of the country where it is economically feasible for private employers to hire them; whereas if the pending amendment were adopted it would change the purpose of the bill by making its goal the placing of Mexican laborers at Government expense at any point in the United States where an emergency shortage of labor existed.

Secondly, the amendment changes the policy of the Federal Government with respect to the subsidization of farm labor. The bill is designed to carry out the agreement reached with Mexico at a minimum cost to the Federal Government by continuing the present practice of employers paying practically all the costs. The bill provides that the employer would reimburse the Federal Government up to $20 per worker for expenses incurred in providing transportation and subsistence for Mexican workers. This maximum reimbursement is expected to cover practically all such costs in bringing Mexican workers from the interior of Mexico to reception centers in the United States at or near the border. If reception centers are established in the United States other than at points at or near the border, it becomes apparent that all additional transportation and subsistence costs will be paid by the Federal Government. This involves substantial subsidization by the Federal Government of farm labor in the United States. Such subsidization has been made in the past only during World War II, and not during peacetime or partial mobilization periods. Therefore, adoption of the amendment involves a major change in policy of our Government.

Thirdly, the effect of the amendment on the legislation would result in discrimination against domestic workers and workers from foreign countries other than Mexico. The bill as reported requires that the employer pay practically all of the costs of importing Mexican workers. Before he can import them, it must be certified that domestic workers are not available, and that such importation would not adversely affect their wages and working conditions. However, if the amendment is adopted, it will mean that the Federal Government will be paying for the transportation and subsistence of Mexican workers to any point in the United States, while no subsidization will be offered for any domestic workers, or any worker from a foreign country other than the Republic of Mexico. Again, the question must be answered if the amendment is adopted as to why the same method should not be applied to Canadians, to Jamaicans, to Hawaiians, to Puerto Ricans as well as domestic workers.

Finally the amendment will increase the cost of the program tremendously. The bill is designed to have the employers pay practically all costs for transportation and subsistence in importing workers from Mexico. The legislation also authorizes the Federal Government to establish reception centers at or near the border, to receive workers from Mexico, and to house them during the negotiations for contracting. The establishment and maintenance of these reception centers will be the main expense of the Government in this program. The establishment of reception centers at other points in the United States will mean, first, that practically all the transportation and subsistence costs incurred in the United States will be paid by the Federal Government, and second, the Federal Government will, of course, have to pay for the additional reception centers. The Department of Labor has not estimated what the cost of establishing and maintaining these reception centers will be. It has estimated that construction of an overnight rest camp will cost $70,000, and it is reasonable to assume that the reception centers will cost many times that amount. The reception centers authorized by the bill at or near the border will undoubtedly be used on a full-year basis. If reception centers are established wherever an emergency farm labor shortage occurs, they may be used for one season only, and complete utilization from year to year will not be possible.

Mr. President, as I explained to the Senate 10 days ago, when the bill was first considered, the labor is recruited in Mexico under the auspices of our Government, at centers to be agreed upon by Mexico. The workers are then taken from those centers and brought to reception centers established at or near the border within the United States. At the centers in the United States, employers enter contracts with the Mexican laborers. The expense of transportation and subsistence of the laborers between the center established in Mexico and the one established on the border is paid by the United States Government, but each employer is required to reimburse the Federal Govern-

ment up to an amount not exceeding $20 per worker for such expenses. Thus the legislation is designed to provide that the employers of these workers will pay as much of the total cost of the program as possible.

If the amendment is adopted, it can readily be seen that the result will be that instead of the employers paying the entire expense, the Federal Government will be called upon to subsidize the employers of farm labor. In other words, if the centers are established, let us say, in Seattle, in St. Louis, and in Denver—in fact, at any point away from the border—the Federal Government will be called upon to pay every cent of the transportation from the interior of Mexico to those established centers, less the sum of $20.

Mr. President, if we are to undertake a program of that character, we ought to make it apply not only to Mexican labor, but to all forms of foreign as well as domestic labor that may be needed to maintain American agricultural production.

Today we have in force an agreement whereby employers in the United States go into Mexico, hire Mexican labor, pay all of the expenses in connection with obtaining such labor, and in that way obtain a great many agricultural workers. The Mexican Government, however, does not desire to continue that agreement. Therefore, in order that we shall be able to carry out a tentative new agreement between the United States and Mexico, it is necessary that this bill be enacted.

As I pointed out a moment ago, if we should adopt the amendment, there will be discrimination against foreign laborers from countries other than Mexico and against our own domestic farm labor. Why should not we have a plan providing that if there is a national emergency in farm labor, the Government will pay for the transportation not only of foreign farm labor, but also of domestic farm labor? I believe such alternative must be considered in connection with the problem raised by the amendment.

Mr. President, I repeat a statement I have made previously, namely, that in the future a time may come when it will be necessary—because of the existence of an emergency, and in order to obtain the labor needed not only on the farms, but also in industry—to enact legislation similar to that which was in effect during World War II. It will be recalled that during World War II we had in effect a plan whereby our Government financed the transportation, subsistence, and other expenses not only with respect to relocating farm labor, but also, with respect to relocating industrial labor. That cost the taxpayers of the United States in excess of $30,000,000 a year during World War II. I do not believe this bill should now be placed in that category. I contend that we are not yet in an emergency which would require the Congress to enact a bill making it possible to transport labor from one place to another.

I repeat, Mr. President, that the purpose of this bill is merely to carry out a proposed agreement which has been entered into between our Government and the Mexican Government, without which we would be unable to obtain any Mexican labor legally. As I have pointed out, employers in the United States have been obtaining Mexican labor under the terms of an agreement which became effective August 1, 1949. The Mexican Government has given us notice that it will no longer agree to contracts made under those terms, and that in order for Mexican labor to be imported into the United States, it will be necessary for that to be done in accordance with the tentative agreement reached the first part of this year. I believe the bill will authorize our Government to carry out its part of that agreement in the best way possible but the pending amendment would embark our Government on a totally different type of farm labor program from that contemplated by the basic legislation.

Mr. DWORSHAK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MOODY in the chair). Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. Surely the Senator from Louisiana is not contending, is he, that in the past several months the farm labor situation has not become more acute by virtue of the recruitment of labor in areas in the West, particularly for employment in munitions plants, in atomic energy installations, and in airplane factories?

Mr. ELLENDER. I am not contending that at all, Mr. President. The point I am trying to make is that when our committee considered the bill, it was considered, not in the light of an emergency bill, but simply as a bill to provide ways and means by which Mexican labor could be brought into our country for use on our farms. In other words, if this bill should not be enacted, we would not be able to contract for Mexican workers legally as we have in the past.

As the law now stands, contracts are entered into by employers in the United States with employees in Mexico, without any subsidies or guaranties by our Government. However, the Mexican Government has now refused to continue this program unless it is done under terms and conditions outlined in an agreement which was entered into between the United States and Mexico in January of this year. As I have stated, the purpose of this bill is to carry out that phase of the agreement.

Mr. President, during the course of the hearings, we tried to obtain from the Department of Labor and from other sources information as to what the cost of the program would be. However, we could not obtain any information as to how much it would cost to establish a reception center. The Department did estimate that it would cost $70,000 to construct an overnight rest stop and undoubtedly a reception center would cost many times that amount.

As I stated before the committee, if the time comes in the near future when we have an emergency condition which makes it necessary for us to bring into our country not only Mexicon labor but other foreign farm labor, and also to provide for the transportation of domestic farm labor, that problem should be considered then as a whole. However, let us not pass, at this time, a bill which would be grossly discriminatory against domestic workers and foreign workers from countries other than Mexico by adoption of the pending amendment. If the amendment of the senior Senator from Oregon [Mr. CORDON] is adopted, it will mean that the Government of the United States will have to pay the entire cost, less $20, of transporting Mexican workers from the interior of Mexico all the way to Portland, Oreg., if the laborers are to be employed there, or to other points in the United States. Again I repeat, that would change the purpose and policy of the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HUMPHREY. I wonder whether the Senator from Louisiana has given any thought to the possibility of increasing the $20 minimum fee. Twenty dollars does not cover very much, anyway, even in the case of the cost of transportation to the reception centers originally proposed. Would not it be possible to increase the $20 minimum?

Mr. ELLENDER. The purpose of the $20 fee is to cover the cost of transportation and subsistence in Mexico.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. Personally I would much prefer, if the Congress feels that way, to provide that employers whose farms are at a considerable distance from the border shall receive some sort of rebate. I am not advocating that; but I would prefer it to the establishment of the proposed centers.

Mr. HUMPHREY. The question I ask of the Senator from Louisiana is this: If the Cordon amendment should be adopted, would not it be within the realm of fair play and reasonableness to suggest a moderate increase in the minimum sum which an employer would be required to pay?

Mr. ELLENDER. The purpose of the $20 payment, as I have said, is to pay for the actual expenses within Mexico. Certainly the Senator from Minnesota would not want to pay a greater amount than that actually needed?

Mr. HUMPHREY. Yes, I would.

Mr. ELLENDER. I would not. Why should we make a farmer who lives on the border pay a considerably larger amount than the cost of transporting the laborer from, let us say, the interior of Mexico to the point on the border where the employer's farm is located?

I understand that my distinguished friend intends, by means of his amendment, to make the payment equitable.

Mr. HUMPHREY. Thirty-five dollars was the amount suggested by me.

Mr. ELLENDER. But in the amendment of the Senator from Oregon we find this provision: "*Provided*, That such reception centers shall be distributed geographically so as to provide, as far as practicable, equality of costs and opportunity of obtaining such workers in the

areas where the Secretary finds need therefor to exist."

If we could work out a method which would take care of the transportation from a point within Mexico to a point within the United States, I would much prefer that approach to the establishment of centers throughout the country.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. I am sorry that my time has expired, and I am unable to yield.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. CORDON. Mr. President, how much time have I?

The PRESIDING OFFICER. The Senator from Oregon has 3 minutes.

Mr. CORDON. I yield 1 minute to my friend, the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. HICKENLOOPER. Mr. President, although this type of labor is not particularly attractive in my immediate section of the United States, nevertheless it is attractive in various other sections. I feel that it is a good thing to obtain this supply of labor if it can be obtained without undue cost. I believe that the amendment of the Senator from Oregon is a proper one. I think it should be adopted.

However, I also would go along with a commensurate increase in the total overall transportation cost, the payment of which might be provided for in the bill, in order to equalize the costs of transportation to the various areas of the United States.

Mr. President, I believe that the time allotted to me has expired. I thank the Senator from Oregon for yielding this time to me.

Mr. CORDON. Mr. President, in his argument today, the distinguished Senator from Louisiana repeated, as I understood him, the matters he presented in his original argument before the Senate. They were answered by me in my argument of the other day.

Let me say that there is no reason for any cost for maintaining beyond the Mexican border any reception center for any laborer. All the Secretary of Labor need do is to determine the points to which the laborers come and from which they return, with expenses prepaid by the American Government. The remainder is all taken care of exactly as it is today. It is solely a matter of good administrative judgment on the part of the Secretary of Labor, and I think we can indulge the hope that we will have that sort of administration, and that the result will be equity as between agricultural areas in the several States of the United States in which there is a critical labor shortage which cannot be met domestically. If there is no shortage, there is no call for the foreign labor. If there is a shortage, there should be equity in its supply and in the cost of providing it. I yield the remainder of my time to the chairman.

Mr. ELLENDER. Mr. President, of the hour which I would have on the bill itself, I now yield 10 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 minutes.

Mr. HOLLAND. Mr. President, I hope that this amendment will not be adopted, because its adoption would mean that many of us from that section of the Nation which does not use Mexican labor, but whose people are very anxious, by supporting this bill, to help both agriculture and the Mexicans in the area where Mexican labor is available, would be left in a position where we could not possibly support it. There are three reasons for saying that that is the case, and I should like to give those reasons for the record.

I note that there are very few Members of the Senate present, but, since I shall have to oppose this bill if this amendment is adopted, and since a great many other Senators are in the same position, I think it only fair to state for the record just why we oppose this amendment so vigorously.

The first reason is that the adoption of this amendment would discriminate completely against users of agricultural labor which comes from foreign sources other than Mexico, such as the Bahamas, Jamaica, Canada, and the like. We have not asked to be included in this bill. We do not want to be included in this bill. We, in Florida, ourselves are paying the expenses or bringing in needed agricultural labor from the Bahamas and from Jamaica. We do not want to be subsidized, neither do we want to be regimented, and we therefore have not asked to be included within this bill.

The practice which has been built up is thoroughly satisfactory. It does not cost the United States Government a cent. It is not inimical to domestic labor, because there cannot be brought into the United States a single alien without first getting a certificate of the need for additional labor, over and beyond what domestic sources can supply. But if this amendment should be placed in the bill we would be in the position of having to see Federal funds expended in very large amounts, for instance, for transportation from such places of entry as Brownsville or El Paso, Tex., clear across an area of more than 2,000 miles to the fields of the Northwest, and for housing and subsistence at various places on the way. We feel that for the Government to pay those expenses and at the same time to pay not 1 dime for the importation of labor from the Bahamas and Jamaica and the transportation of those laborers from Miami, the port of entry, to Connecticut, or wherever they may be used, is an obvious discrimination against the users of those forms of alien agricultural labor in all the eastern area of the Nation. That is the first reason for our being opposed to this amendment, and we think that it is a perfectly sound reason.

Our second reason for opposing it is that the adoption of this amendment would be highly discriminatory as against domestic labor. I hope that the distinguished Senator from Minnesota will listen to this point, because I think it is valid and, in my opinion, there is no way in the world to meet it. If this amendment should be adopted without further change, the bill would be highly discriminatory as against domestic agricultural labor, because it would pay the transportation, subsistence, and housing of laborers coming in from Mexico, for distances of from 2,000 to 2,500 miles across areas of the United States and back, at the expense of the United States Government, without offering to do anything of the sort for domestic labor at similarly distant points, because domestic labor, if they wanted to go to the same places as, for example, the fields in Oregon or Washington, would have to pay their own expenses.

I realize there are certain practical difficulties involved in this problem, and I am quite agreeable to providing the expenses of maintaining a system under which the Federal Government may, agreeably to the Mexican Government, get labor in Mexico at places where there is unemployment, transport such labor into the United States, and make it equally available to all; but I would not be willing, and I do not believe any other Senator understanding the situation would be willing, to vote for a system under which there would be paid transportation within the United States for 2,500 miles in each direction of labor brought in from Mexico, in order that they might work in fields, let us say, in Washington, Idaho, or Oregon—and I have nothing but the friendliest feelings for all those good States—and at the same time no effort whatever would be made to reimburse the travel or other expense of domestic laborers who might have equally as great a desire to see that interesting part of the country and to work there for a few months in the summer or fall as would the Mexicans. There simply is no equity toward our own people in such a program.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HOLLAND. I will yield in a moment. Let me make my third point; after which I shall yield.

The adoption of this amendment would mean a very great degree of discrimination against domestic agricultural labor in the United States, and there would be no way in the world to prevent it.

The third point, Mr. President, and the reason why I would object to the amendment, is that it is a big entering wedge for what is the most grandiose scheme I have ever heard advanced for setting up a hierarchy the like of which I have not heard suggested elsewhere, the establishing of motels, transient camps, and tourist camps from the Canadian border to the Gulf, and from the Atlantic to the Pacific Ocean, as testified to before the committee by the Assistant Secretary of Labor, Mr. Robert T. Creasey. At an earlier time in the debate I placed in the RECORD his testimony. The amendment propose to furnish such entertainment to Mexican labor, scattered all over the country.

The fact that it involves more than one or two or three centers was never better illustrated than by the statement

a few moments ago of the distinguished junior Senator from Washington [Mr. CAIN], who made it very clear that there would be required at least three centers of distribution in Washington State because of the necessity of supplying additional areas in his State at different times in the year. We realize that if we adopt this amendment and pass the bill we shall be giving an invitation, laying out the plush carpet for the creation of this grandiose scheme of multiple units of transient centers, tourist camps, and motels, manned at public expense, and with public agents to operate them for agricultural labor going up and down the country, though it may be confined to Mexican labor for the moment. Surely, with that kind of scheme it would be wholly impossible to exclude the implication that we would also have to be entertaining domestic agricultural labor very soon and it would not be many months before we would have to do it.

I now yield to the Senator from Oregon.

Mr. CORDON. The Senator speaks of discrimination. Is it not a fact that every provision in this bill is a discrimination in favor of foreign labor, that every provision in it is a discrimination predicated upon the sole proposition that we do not have sufficient domestic labor, that we must get foreign labor, and that we cannot get it from the usual source, Mexico, except in the way provided in the bill.

Mr. HOLLAND. No. The Senator is not correct. There is no discrimination in favor of Canadian labor; there is no discrimination in favor of Bahaman labor; there is no discrimination in favor of Jamaican labor; there is no discrimination in the bill in favor of any of the users of all those classes of labor, which means farmers in most of the eastern areas of the United States.

I have heard not one word from the farming interests of the eastern section of the United States by way of suggestion that they want any sort of a subsidy or any sort of a hierachy established and maintained for their advantage. To the contrary, they say they want to and they insist upon handling their problem themselves, and at their own expense. The only reason for the bringing of Mexican labor into the picture is that under the practices which have existed, the very areas in Mexico which did not need to export their laborers have been the ones whose laborers have been exported; instead of going into the areas remote from the border, where there was unemployment and where the Mexican Government wanted the labor to come from, the labor has been drained away from the very home areas where it was most needed.

The Senator also knows that in the case of Bahama labor and Jamaica labor we do not have, as in the case of Mexico, a border more than 2,000 miles long over any portion of which a man could pass, regardless of the most efficient border inspection service.

Mr. CORDON. Would the Senator say that the section of the bill which provides subsistence, emergency medical care, and burial expenses, not exceeding $150 for burial expenses in any one case, would be discriminatory? Would the Senator say that a provision guaranteeing wages is a provision available to all domestic workers?

Mr. HOLLAND. No; but I will say to the Senator that there is not a provision in the bill which allows this Mexican labor to be used for a dime more or less than is to be paid for domestic labor, nor is there anything in the bill which provides for other than transportation across the border to the edge of our country. The farmer has to pay the transportation and carry the whole burden from that moment forward just as in the case of domestic labor—no more and no less.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON] for himself and other Senators, as modified.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hendrickson	Millikin
Bennett	Hennings	Monroney
Benton	Hickenlooper	Moody
Brewster	Hill	Morse
Bricker	Hoey	Neely
Bridges	Holland	Nixon
Butler, Nebr.	Humphrey	O'Conor
Byrd	Ives	O'Mahoney
Cain	Johnson, Colo.	Pastore
Carlson	Johnson, Tex.	Robertson
Case	Johnston, S. C.	Russell
Clements	Kefauver	Saltonstall
Connally	Kem	Schoeppel
Cordon	Kerr	Smith, N. J.
Douglas	Kilgore	Smith, N. C.
Duff	Knowland	Sparkman
Dworshak	Langer	Stennis
Ecton	Lodge	Taft
Ellender	Long	Thye
Ferguson	McCarthy	Tobey
Flanders	McClellan	Underwood
Fulbright	McFarland	Wherry
George	McKellar	Williams
Gillette	McMahon	Young
Green	Maybank	

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business for the Committee on Armed Services.

The Senator from New York [Mr. LEHMAN] is absent by leave of the Senate on official business, having been appointed a member of the United States delegation to the World Health Organization, which is meeting in Geneva, Switzerland.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on official committee business.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate on official business.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Maryland [Mr. BUTLER], the Senators from Indiana [Mr. CAPEHART and Mr. JENNER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from South Dakota [Mr. MUNDT], the Senator from Maine [Mrs. SMITH], the Senator from Idaho [Mr. WELKER], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Utah [Mr. WATKINS] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is detained on official business.

The Senator from Illinois [Mr. DIRKSEN] is absent because of illness.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment, as modified, offered by the Senator from Oregon [Mr. CORDON] on behalf of himself and other Senators.

Mr. ELLENDER and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Wyoming [Mr. HUNT] is absent by leave of the Senate on official business for the Committee on Armed Services.

The Senator from New York [Mr. LEHMAN] is absent by leave of the Senate on official business, having been appointed a member of the United States delegation to the World Health Organization, which is meeting in Geneva, Switzerland.

The Senator from Washington [Mr. MAGNUSON] is absent by leave of the Senate on official committee business.

The Senator from Nevada [Mr. MCCARRAN] is absent by leave of the Senate on official business.

The Senator from New Mexico [Mr. CHAVEZ] is paired on this vote with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Mississippi would vote "nay."

If present and voting, the Senator from Wyoming [Mr. HUNT], the Senator from New York [Mr. LEHMAN], and the Senator from Washington [Mr. MAGNUSON] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Maryland [Mr. BUTLER], the Senators from Indiana [Mr. CAPEHART and Mr. JENNER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from South Dakota [Mr. MUNDT], the Senator from Maine [Mrs. SMITH], the Senator from Idaho [Mr. WELKER], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Utah [Mr. WATKINS] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is detained on official business.

I wish also to announce that if present, the Senator from South Dakota [Mr. MUNDT], would vote "yea."

The Senator from Vermont [Mr. AIKEN] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and

voting, the Senator from Vermont would vote "yea" and the Senator from Wisconsin would vote "nay."

The Senator from Utah [Mr. WATKINS] is paired with the Senator from Maine [Mrs. SMITH]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Maine would vote "nay."

The Senator from Illinois [Mr. DIRKSEN] is absent because of illness.

The result was announced—yeas 31, nays 43, as follows:

YEAS—31

Bennett	Ferguson	Moody
Benton	Flanders	Morse
Bridges	Hendrickson	Neely
Butler, Nebr.	Hickenlooper	O'Mahoney
Cain	Humphrey	Saltonstall
Case	Ives	Smith, N. J.
Cordon	Johnson, Colo.	Thye
Douglas	Langer	Tobey
Duff	McCarthy	Young
Dworshak	McMahon	
Ecton	Millikin	

NAYS—43

Anderson	Holland	Nixon
Brewster	Johnson, Tex.	O'Conor
Bricker	Johnston, S. C.	Pastore
Byrd	Kefauver	Robertson
Carlson	Kem	Russell
Clements	Kerr	Schoeppel
Connally	Kilgore	Smith, N. C.
Ellender	Knowland	Sparkman
Fulbright	Lodge	Stennis
George	Long	Taft
Gillette	McClellan	Underwood
Green	McFarland	Wherry
Hennings	McKellar	Williams
Hill	Maybank	
Hoey	Monroney	

NOT VOTING—22

Aiken	Hunt	Murray
Butler, Md.	Jenner	Smathers
Capehart	Lehman	Smith, Maine
Chavez	McCarran	Watkins
Dirksen	Magnuson	Welker
Eastland	Malone	Wiley
Frear	Martin	
Hayden	Mundt	

So, the amendment, as modified, offered by Mr. CORDON on behalf of himself and other Senators, was rejected.

Mr. DOUGLAS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The CHIEF CLERK. At the appropriate place in the bill it is proposed to insert the following:

SEC. —. Section 8 of the Immigration Act of 1917 (8 U. S. C. 144) is amended to read as follows:

"SEC. 8. Any person, including the owner, operator, pilot, master, commanding officer, agent, or consignee of any means of transportation who—

"(1) brings into or lands in the United States, by any means of transportation or otherwise, or attempts by himself or through another, to bring into or land in the United States, by any means of transportation or otherwise, or

"(2) conceals or harbors, or attempts to conceal or harbor in any place, including any building, or any means of transportation,

any alien, including an alien crewman, not duly admitted by an immigration officer or not lawfully entitled to enter or to reside within the United States under the terms of this act or any other law relating to the immigration or expulsion of aliens, or any person who shall employ any alien when such person knows or has reasonable grounds to believe or suspect or by reasonable inquiry could have ascertained that such alien is not lawfully within the United States, or any person who, having employed an alien without knowing or having reasonable grounds to believe or suspect that such alien is unlawfully within the United States and who could not have obtained such information by reasonable inquiry at the time of giving such employment, shall obtain information during the course of such employment indicating that such alien is not lawfully within the United States and shall fail to report such information promptly to an immigration officer, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $2,000, or by imprisonment for a term not exceeding 1 year, or both, for each alien in respect to whom any violation of this section occurs."

Mr. DOUGLAS. Mr. President——

Mr. WHERRY. Mr. President, will the Senator yield so I may make a parliamentary inquiry at this point?

Mr. DOUGLAS. Yes.

Mr. WHERRY. Mr. President, with respect to amendments offered by Members of the Senate, it is my understanding that if the distinguished Senator from Louisiana [Mr. ELLENDER] is in agreement with the proponent of an amendment, then the junior Senator from Nebraska has control over the time of the opposition; but if the distinguished Senator from Louisiana opposes the amendment, the Senator from Louisiana has control of the time. I thought that ought to be made plain, because Senators are asking me for time in which to speak. With respect to the particular amendment now under consideration I understand the distinguished Senator from Louisiana will be in control of the opposition time.

The PRESIDING OFFICER. The distinguished Senator from Nebraska is correct in his understanding.

Mr. DOUGLAS. Mr. President, the present situation concerning penalties for illegal immigration is approximately as follows: First, the importation and concealment of aliens illegally brought into the country is already made a crime—Eighth United States Code, section 144—but the present law fails to fix a penalty for concealment. The penalty is instead only fixed for importation.

The McCarran bill, S. 716, which is now before the Committee on the Judicary, fixes a penalty for both, that is, a penalty both for importation and for concealment.

The Ellender bill, S. 1391, introduced by the eminent chairman of the Committee on Agriculture and Forestry, adds a penalty for the employment as well as for the importation and concealment of illegal immigrants.

The amendment which I have offered is substantially the bill already offered by the eminent Senator from Louisiana, but with a reduction in the severity of the penalty, to either a fine of $2,000 or 1 year's imprisonment, instead of 5 years, or both. This amendment, very frankly, is virtually identical, therefore, with the separate bill already proposed by the Senator from Louisiana.

Mr. President, the report of the President's Committee on Migratory Labor and the articles in the New York Times by Mr. Gladwin Hill have shown pretty clearly that we are dealing with a very large problem. The committee and Mr. Hill state that each year there are probably from 500,000 to 1,000,000 Mexicans who illegally enter this country.

It is interesting that during the last year no less than 500,000 who illegally entered this country were turned back and sent back into Mexico by our immigration authorities. No one knows how many more, after they had crossed the Rio Grande or came across the desert, were able to remain here for a long period of time. There are probably hundreds of thousands now in the country who have illegally entered.

This results in a displacement of American citizens who are not able to get jobs which they otherwise would be able to get, and it worsens the condition of American farm laborers by the cheap labor competition with the so-called wetbacks. For instance, I am informed that in the lower Rio Grande Valley the average hourly rate for the wetbacks is somewhere around 25 cents an hour, or half the rate normally paid to domestic farm labor. The difference in wages is, I believe, less in Arizona and New Mexico, but in the Imperial Valley of California the wetback laborers also receive appreciably less than the domestic labor.

These large numbers of Mexicans who come across the border illegally and without protection, create poor health and housing conditions in the agricultural labor camps in the Southwestern States, and serious community conditions have resulted.

The wetback labor is used for so-called "stoop" labor, for the picking of cotton and garden vegetables, where bending and handwork is required, and where there is a natural desire to keep farm labor costs down.

Unless we put some real teeth into our attempt to prevent the illegal entry of wetbacks we shall find, I believe, that the very excellent provisions which the Committee on Agriculture and Forestry has provided for handling the traffic legally will be largely noneffective. Without some penalties I fear that efforts to halt the influx of wetbacks will fail.

I am informed that the number of immigrants who come into this country legally from Mexico can be reckoned in the tens of thousands, but that the entrants who come in here illegally can be reckoned in the hundreds of thousands each year. Therefore we need to put teeth into the measure before us.

The question then arises as to whether we should do this in an amendment to the bill now under consideration or in a separate bill. I now see the eminent chairman of the Committee on Agriculture and Forestry on the floor. I want to repeat to him, therefore, what I have previously said to the body as a whole, namely, that my amendment is nothing but the Ellender bill, S. 1391, with the penalties slightly modified. The question then is whether the penalties should be inserted in the bill before us rather than be dealt with as a separate measure and left to the Committee on the Judiciary.

If this problem is worth attacking at all, it is worth attacking now. And in-

stead of postponing action until later when we get out a general immigration bill, possibly at the end of the farm season, with hundreds of thousands of Mexicans illegally brought across the border in the meantime, it would seem to me to be highly desirable that we should tackle this issue now before the farm season is too far advanced.

Therefore, Mr. President, I believe that this amendment is really the heart of the effort to curb the illegal importation of wetbacks. It fixes a penalty not too severe in amount—either a fine or imprisonment, or both—for those who illegally import labor, who conceal, or who either knowingly hire, or if they ignorantly hire do not try to find out whether or not the importation of the labor is illegal.

I hope very much that the chairman of the Committee on Agriculture and Forestry will be willing to accept the amendment because, very frankly, it is his idea. I withdrew my amendment lettered "A," which was not as good as his amendment. I hope that he will not disown his own child here on the floor of the Senate on the ground that it has been born prematurely. So I wait with great pleasure the response of the distinguished senior Senator from Louisiana, who, I think, is going to father his own child.

I feel embarrassed, Mr. President, at trying to pretend that I am the father of this child, because I am not. The child has been begotten, conceived, and brought forth, by the senior Senator from Louisiana, and I am now sure that he is going to own his child, and step proudly forward to claim his right of legal paternity. We need penalties to halt the employment of wetbacks, and I hope the Senator will support this, which is really his own amendment.

Mr. ELLENDER. Mr. President, I thank my distinguished friend from Illinois for the compliment paid me. I desire to say that the bill to which he referred, Senate bill 1391, was introduced by me on April 26. I believe that by the enactment of such a law we will go far toward eliminating the wetback problem which is now so vexing to our Government and to the Mexican Government.

I am not personally opposing the amendment. As the distinguished Senator from Illinois has stated, the amendment follows verbatim the bill I introduced some time ago, with the exception of the penalty clause. The reason we did not incorporate the amendment in the bill was because of lack of jurisdiction in the Committee on Agriculture and Forestry, and the fact that the Committee on the Judiciary was considering in an omnibus bill practically the same language which is incorporated in the pending amendment.

Mr. President, I had occasion to talk to my good friend the Senator from Nevada [Mr. McCARRAN], the chairman of the Judiciary Committee; and he gave me assurance that his committee would at an early date consider my bill, which, as I have said, is practically identical to the pending amendment. I am very hopeful that the Judiciary Committee will hold hearings on the bill and will report it separately from the omnibus bill.

I have made a study of the wetback problem; I spent considerable time in preparing my bill which, as I have said, is almost identical to the pending amendment of the distinguished Senator from Illinois [Mr. DOUGLAS]. So far as I am concerned, I have no objection to the amendment; but I feel that I should call the Senate's attention to the fact that our committee has made no study of this important amendment, and that it is a matter which probably should be studied by the Judiciary Committee.

Having brought those points to the attention of the Senate, I leave the question to the Senate to decide.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. ELLENDER. I yield.

Mr. WHERRY. Is the Senator from Louisiana going to support this amendment?

Mr. ELLENDER. I shall, but not on behalf of the committee. As I have said, I wish to make it perfectly clear that our committee held no hearings at all in regard to the amendment; and further, that I have the assurance of the Senator from Nevada [Mr. McCARRAN] that the question will be considered soon by his committee, the Committee on the Judiciary. I feel that I should bring these matters to the attention of the Senate; and then the Senators could use their own judgment and discretion in deciding whether to vote for or against the amendment.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. WHERRY. Last week, when the provisions dealing with the so-called wetbacks were under discussion, I was interested in providing penalties, as no doubt the Senator will recall.

Mr. ELLENDER. Yes; I recall that very well.

Mr. WHERRY. I then understood the Senator from Louisiana to say that that was not the proper time to take up that question, but that the Judiciary Committee should examine it.

Mr. ELLENDER. Yes; and I say that now.

Mr. WHERRY. I also understood the Senator from Louisiana to say at that time that in his opinion the adoption of such an amendment might jeopardize the passage of the bill in the House of Representatives, and that therefore he felt it should not be offered now.

Mr. ELLENDER. That is correct.

Mr. WHERRY. Mr. President, I believe there is much merit in penalty legislation. However, the Senator from Louisiana left me under the impression that the proper thing for us to do now is to pass this bill without such an amendment, and later take up the question of penalties, as affecting immigration, in connection with a bill on that subject which will be reported by the Judiciary Committee.

I am sure the Senator from Louisiana will recall that he said to me that the adoption of the amendment might jeopardize the passage of the bill in the House of Representatives. Is not that what the Senator from Louisiana said to me?

Mr. ELLENDER. That is correct. It may be true.

Mr. WHERRY. I do not know whether adoption of the amendment would actually jeopardize the passage of this bill in the House of Representatives; but certainly it seems to me that it is because of the assurance of the Senator from Louisiana that the wetback problem should be handled separately, in connection with a measure to be reported by the Judiciary Committee, that the wetback problem is not now being handled by the Senate in connection with the pending bill; and I understood the Senator from Louisiana to advise his colleagues not to include such a provision in the farm-labor bill, but to include it later in another measure.

Mr. ELLENDER. As I have just stated, Mr. President, I personally shall not oppose the amendment, because it is almost identical to a bill I have introduced.

I am of the belief now, as I was when I introduced my bill on April 26, that such a provision will go far toward solving the wetback problem. I think there is no question about that.

Mr. DOUGLAS. Mr. President, will the Senator from Louisiana yield to me for a question?

Mr. ELLENDER. I yield for a question.

Mr. DOUGLAS. Will the eminent Senator from Louisiana inform me whether I was correct in my understanding that he drew a distinction between his opinions as chairman of the Committee on Agriculture and Forestry and his opinions as an individual Member of the Senate? I understood the Senator from Louisiana to say that as chairman of the committee he does not favor the amendment, but that statement seemed to me to indicate that possibly as an individual the Senator from Louisiana is in favor of applying penalties to something which already is illegal.

Mr. ELLENDER. Certainly I do not wish, as chairman of the committee, to bind any member of the committee in connection with his vote on this amendment; I would not attempt to influence any Senator's vote either for or against the amendment.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. ANDERSON. Is it not a fact that the chairman of the committee feels as he does because this matter involves a question of jurisdiction as between two committees?

Mr. ELLENDER. That is entirely correct.

Mr. ANDERSON. In other words, I understand that the position of the Senator from Louisiana is that his committee, the Committee on Agriculture and Forestry, does not wish to act on a matter which the Committee on the Judiciary should study, and that therefore

the Committee on Agriculture and Forestry had steered away from this matter because, as I understood the Senator from Louisiana to say, the Judiciary Committee has jurisdiction over immigration matters.

Mr. ELLENDER. Yes, I wanted to make that very plain to the Senate.

Mr. ANDERSON. Let me say that if a bill on this subject comes before the Senate from the Judiciary Committee, I intend to vote for it. I think I would just as soon vote for the pending amendment; but if I did so, I would feel that perhaps I had done the Judiciary Committee an injustice, if I voted in favor of including in an agricultural bill a provision which would amend the Immigration Act.

Mr. WHERRY. Mr. President, will the Senator yield? I wish to propound a parliamentary inquiry?

Mr. ELLENDER. Certainly.

The PRESIDING OFFICER. The Senator from Nebraska will state his parliamentary inquiry.

Mr. WHERRY. If the Senator from Louisiana favors the pending amendment, should not a Senator who opposes the amendment control the time in opposition to it, so as then to be able to yield time to other Senators who wish to oppose it?

Mr. ELLENDER. Mr. President, I am in a rather peculiar position, because as chairman of the committee I cannot accept the amendment.

Mr. WHERRY. However, the Senator from Louisiana is going to vote for the amendment; is he not?

Mr. ELLENDER. Yes, because it is practically identical to my own bill.

Mr. WHERRY. Mr. President, I raise the point of order that all time to be allowed the Senators opposing the amendment has been allotted to the Senator from Louisiana, who favors the amendment.

Mr. ELLENDER. Of course, I wish to abide by the rules.

Mr. THYE. Mr. President——

The PRESIDING OFFICER. The Chair would like to inquire of the senior Senator from Louisiana [Mr. ELLENDER] whether he is for or against the amendment of the Senator from Illinois.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WHERRY. Wait. Let the Senator answer.

The PRESIDING OFFICER. The Senator from Louisiana has 12 minutes remaining which, under the order previously entered, he controls in the event he does not favor the amendments.

Mr. ELLENDER. The opposition may control the time so far as I am concerned.

The PRESIDING OFFICER. The Senator from Nebraska will have charge of the remaining time.

Mr. WHERRY. Mr. President, does the Senator from Minnesota desire any opposition time?

Mr. THYE. Mr. President, I do not wish any opposition time. I wanted to make a comment, and to give my reasons for saying that the Senator from Louisiana, the chairman of the Committee on Agriculture and Forestry, could not in good grace, and in consideration of the Judiciary Committee, accept this amendment.

Mr. WHERRY. Mr. President, I should be glad to yield to the Senator but I should like to ask the Senator to withhold his request until I see whether there is any one other Senator who desires opposition time on the amendment. We have but 12 minutes left. Does any Senator desire to speak in opposition to this amendment?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. McCARTHY. Mr. President, I should like to obtain some of the opposition time, myself.

Mr. THYE. Mr. President, I think the opposition should try to clarify the point as to whether the Committee on Agriculture and Forestry acted favorably on the proposed amendment.

Mr. WHERRY. Mr. President, is the Senator from Minnesota against the amendment?

Mr. THYE. The Senator from Nebraska is now becoming technical.

Mr. WHERRY. It is necessary for me to know that, before I can yield any time. If the Senator from Minnesota is for the amendment, why does he not ask the distinguished Senator from Illinois to yield time? I would love to accommodate the Senator from Minnesota.

Mr. THYE. Mr. President, the minority leader has wasted more time than I would have taken, had he yielded to me.

Mr. WHERRY. Under the circumstances, I am unable to yield.

Mr. HOLLAND rose.

Mr. WHERRY. Is the Senator from Florida in opposition?

Mr. HOLLAND. No.

Mr. HUMPHREY. I suggest that the Senate proceed to a vote.

Mr. WHERRY. If there is no other Senator who wishes to speak, I shall yield to the Senator from Minnesota.

Mr. DOUGLAS. Mr. President, I shall be glad to yield 5 minutes to the junior Senator from Oregon.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield 5 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I may say to the Senator from Illinois that I hesitate somewhat to make the comment I am about to make, because I do not in any way want to jeopardize his amendment. I intend to vote for his amendment, but I think it is most appropriate, while we are considering his amendment, to call the attention of the Senate to the fact that the junior Senator from Oregon has on the desk an amendment identified as amendment C, most of the language of which was also taken from the bill already introduced in the Senate on April 17 by the distinguished Senator from Louisiana [Mr. ELLENDER], Senate bill 1391. There is, however, a difference which I think is rather important between the amendment of the Senator from Illinois and that of the Senator from Oregon. The amendment of the Senator from Illinois includes penalties. Although I am going to vote for his amendment, I recognize that it involves some question as to possible jurisdiction of the Judiciary Committee. But I see no basis for any question of jurisdiction of the Judiciary Committee in respect to the amendment of the junior Senator from Oregon, because all my amendment seeks to do is to provide that no benefits of this act shall accrue to any prospective employer who is employing an alien and who has reasonable grounds to know that he is an alien. I read the language of the amendment. It proposes on page 5, line 5, after the word "employment" to insert the following: *"Provided*, That no workers shall be made available under this title to, nor shall any workers made available under this title be permitted to remain in the employ of, any employer who has in his employ any alien, when such employer knows or has reasonable grounds to believe or so suspect or by reasonable inquiry could have ascertained that such alien is not lawfully within the United States."

There is no penalty against an employer, nor is he characterized as being guilty of any crime. The amendment provides simply an inhibition or an injunction against an employer so that he cannot get any employees under this bill if he has on his payroll aliens who have come into the United States illegally.

Certainly we ought to pass a bill which provides for such administrative discretion on the part of the administrators. We certainly have a right to take a course of action which will not encourage farmers, if they already have wetbacks in their employ, to try to get Mexican labor in addition to the wetbacks.

I may say to my good friend from Louisiana the fact is that some of us in the Senate, particularly in view of the defeat of the amendment of my senior colleague [Mr. CORDON], fear that what we have here, for the most part, is a bill which is going to accrue principally to the benefit of employers along the tier of States in the southern area of the United States, and which, therefore, discriminates against those in other sections as my senior colleague pointed out in his argument in support of his amendment.

I think that if we are to be expected to go along with this bill, we at least ought to have some assurance that the bill contains some provision which will prevent the employment of migrant alien labor by employers who are already hiring aliens who are illegally in the United States. I think it is the least we could do.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MORSE. I may say to my friend from Illinois, I shall vote for his amendment, but if his amendment fails, I serve notice now that I shall oppose the entire bill, because I simply cannot see any basis of objection either to his amendment or to my amendment.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired. Does the Senator from Nebraska wish to yield further?

Mr. WHERRY. I will yield some time to the distinguished Senator from Minnesota. No one has requested any opposition time. How much time does the Senator want?

Mr. THYE. I think 2 minutes will be sufficient.

Mr. WHERRY. I yield 3 or 4 minutes to the Senator from Minnesota.

Mr. THYE. Mr. President, speaking now as a member of the Senate Committee on Agriculture and Forestry, at the time I asked to be recognized, the question I wanted to discuss and to endeavor to clarify was that none of us in the committee would have objected to this type of provision in the bill, except that we recognized it was an amendment to the Immigration Act, and therefore it should rightly come under the jurisdiction of the Judiciary Committee, and to be considered by it. It was for that reason that, in the consideration by the Committee on Agriculture and Forestry of the bill, and particularly its drafting of it, this particular question was not included as a part of the bill.

None of us have the feeling that wetbacks should be admitted, and certainly no one should be benefited by employing along the border of aliens or wetbacks, as they are called. So I say to the distinguished Senator from Illinois that while his amendment is in proper form, if we could have the Judiciary Committee give us assurance that it would not demand that the bill be rereferred to their committee because of the amendment, the committee could then take the necessary time to study this subject before this type of bill were enacted by the Senate and House.

This is the seventh day of May, and we should try to clarify this question by having the bill passed as soon as possible in order that the employer who seeks the type of labor that he would be allowed to employ under this measure may be given such assurance as to enable him to plan on offshore labor to meet his labor needs as he proceeds with the cultivation of his crops and their harvesting, which will come within a very few weeks.

I may say that as a member of the Senate Committee on Agriculture and Forestry, I have no objection to the amendment, but I think the amendment is offered to the wrong bill. I think it ought to be proposed as an amendment to the Immigration Act, rather than as an amendment to the agriculture bill.

Mr. ANDERSON rose.

Mr. THYE. Mr. President, if the Senator from Nebraska will yield to me time for the purpose of yielding, I shall be glad to yield to the Senator from New Mexico.

Mr. WHERRY. I shall be glad to yield additional time; but I wanted to ask a question. Is the penalty provided for in the amendment offered by the Senator from Illinois the same penalty suggested by the distinguished Senator from Louisiana?

Mr. ELLENDER. No; it is not. The bill which I introduced makes the penalty fine and imprisonment. The amendment makes it fine or imprisonment.

Mr. WHERRY. Then the Senator's penalty is a stiffer penalty?

Mr. ELLENDER. Yes.

Mr. WHERRY. Mr. President, I yield another 2 minutes, or more if necessary, to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I am wondering how the Senator from Minnesota would feel if we should adopt the amendment offered by the Senator from Oregon [Mr. MORSE] and add to it the penalty provisions suggested by the Senator from Illinois [Mr. DOUGLAS]. It would go to line 17 on page 2 and provide that "any employer who shall fail to report such information," and so forth, the language to be added as additional language to the Moorse amendment. I believe the conferees could then work it out.

Recognizing that the distinguished chairman of the Committee on Agriculture and Forestry wants to work it out, I think the Senate might safely leave it in that situation. I do not know how to work it out between groups, but if the Senator from Oregon should feel tempted to offer his amendment and add to it the penalty provisions in the amendment of the Senator from Illinois, a great many of us might vote for it as a substitute who otherwise would vote for the amendment offered by the Senator from Illinois, and thus find ourselves in a jurisdictional problem which we do not desire to have to solve.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. THYE. Mr. President, I yield all the time I have remaining to the distinguished majority leader.

Mr. WHERRY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. WHERRY. I yield a minute to the distinguished Senator from Florida [Mr. HOLLAND], and then I shall yield a minute to the distinguished Senator from Oregon [Mr. MORSE].

Mr. HOLLAND. Mr. President, I am in total agreement with the desire of the Senator from Illinois. I feel, however, that his amendment is too far-reaching in that it would affect the whole field of immigration, and it has not been studied by the appropriate committee. I am endeavoring, therefore, with the collaboration and understanding of the Senator from Illinois, who is very helpful as we work toward our objective, to modify his proposed amendment so as to confine it to alien persons coming in under the law and persons employing or harboring such alien persons. I believe that with very few changes in wording this modification can be effected, and, unless there be objection, we shall continue in our effort.

Mr. WHERRY. Mr. President, whatever time is remaining I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I am rather embarrassed to make a suggestion that would interfere with the floor strategy of the Senator from Illinois. I was going to let his amendment come to a vote, and then I was going to offer my amendment. As I look at the situation, I think we could get an amendment which would deal with any employer who is guilty of knowingly hiring wetbacks, without getting into the field of penalties at all. We would simply stop the operation of the bill as to him, leaving to the Judiciary Committee, from a study of the criminal laws, whatever penalty they may wish to impose. That is my present thinking. I shall await action on the amendment of the Senator from Illinois, and I shall vote for it. If it is not agreed to, I shall offer my amendment.

Mr. DOUGLAS. Mr. President, with the very valuable help of the senior Senator from Florida we may have a solution of this difficulty, first, to confine to the agricultural-labor bill the amendment which I have proposed, and not have it extend to the general immigration laws; and, second, by some changes in wording which we have written out and which are not yet in perfect form. It is not intended to be any invasion of the jurisdiction of the Judiciary Committee, but merely an intent to implement the farm-labor bill itself. I have taken the wording of the Senator from Florida, which is satisfactory. If the clerk can read these amendments I shall send them to the desk.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. I am wondering if it would be within the terms of the unanimous-consent agreement if further unanimous consent were asked to pass over this amendment for 10 or 15 minutes so that it might be considered later and in the meantime we could proceed with something else.

The PRESIDING OFFICER. Unanimous-consent requests are always in order.

Mr. ANDERSON. Then I ask unanimous consent that the amendment be laid aside for 15 minutes so that the Senators interested in the amendment may get it into the best possible form.

Mr. WHERRY. Reserving the right to object—and I shall not object—how much time remains?

The PRESIDING OFFICER. There are 7 minutes remaining.

Mr. ANDERSON. I did not mean to disturb the time arrangement in any way.

Mr. WHERRY. If the request is agreed to we would still have at least 5 minutes' time left?

The PRESIDING OFFICER. That is correct.

Mr. WHERRY. I might want to grant at least 5 minutes time to any opponents.

The PRESIDING OFFICER. In order to yield 5 minutes additional time of what is remaining, additional request must be made.

Mr. WHERRY. I do not know that any Senator will want the time. I do not know that any Senator wants to oppose the suggested amendment. I think that perhaps there will not be. I only ask that the request be so modified.

Mr. ANDERSON. Mr. President, may I so modify my request, that at the end of the period, when we again take up the question, the distinguished majority leader may have 5 minutes and the Senator from Illinois may have 5 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, in the time we have for the purpose of refining the amendment of the Senator

from Illinois the Senate might be able to take up my amendment, being amendment lettered A, dated April 26, 1951.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Minnesota.

The CHIEF CLERK. It is proposed, on page 3, line 23, to strike out the word "and";

On page 4, line 9, to strike out the period and insert in lieu thereof a semicolon and the word "and";

On page 4, between lines 9 and 10, to insert the following:

(4) to permit reasonable entry and inspection of the places of employment of such workers by officers of the Immigration and Naturalization Service for the purpose of enabling such officers to ascertain whether any of the workers employed by such employer are illegally in the United States.

Mr. HUMPHREY. Mr. President, directing my remarks to the purpose and the intention of this amendment, which is within the context, the philosophy, and the purpose of the amendment of the Senator from Illinois, and also of the proposed or suggested amendment of the Senator from Oregon [Mr. MORSE], these three amendments—the Douglas amendment, the Morse amendment, and the one which I am offering are all directed toward tightening the law with respect to wetbacks. These amendments are stated in the sequence of their effectiveness, namely, the Douglas amendment, with its more stringent provisions, is what I believe to be the heart and core of the corrective legislation. The Morse amendment is within the confines of the employment and recruitment service of agricultural labor and would furnish remedial action where there has been any employment of laborers who have illegally entered or who illegally remain in the United States.

My amendment is designed simply to permit the officers of the Immigration and Naturalization Service to be able to go into the places of employment where wetbacks may possibly be employed. In other words, the amendment would permit officers of the United States Government who are charged under the immigration laws with the enforcement of those laws not only to investigate at the recruitment centers, at the placement centers, but to go into a large field of operation and to make any necessary checks in the employment areas. I believe, Mr. President, it would be helpful.

I am not saying that it is the answer to the wetback problem. I think it is only fair to say that there has been some cooperation from those of us who desire to tighten up the bill, which represents the heart and core of the migratory problem as it affects Mexican workers. This is the most difficult aspect of the proposed legislation. So I make my position clear. I shall vote for the Douglas amendment. If the Douglas amendment shall be defeated, I shall vote for the Morse amendment. My reason is that both amendments are directed to the particular objective of controlling wetbacks.

I also ask my colleagues to support my amendment, because it is a fundamental part of the administrative enforcement of existing legislation as it pertains to the control of wetbacks.

Nothing more need be said about the subject except that the problem has been given the attention of the President's Commission on Migratory Labor. In that connection I read the first recommendation of the Commission, as set forth at page 88 of the report:

We recommend that—

(1) The Immigration and Naturalization Service be strengthened by (a) clear statutory authority to enter places of employment to determine if illegal aliens are employed.

Mr. President, the purpose of my amendment is to augment and to put into effect the first recommendation in chapter IV of the President's Commission on Migratory Labor. The Douglas amendment follows through on the second recommendation.

I do not know the attitude of the chairman of the committee about the amendment. May I inquire, at this time, how he feels about it?

Mr. ELLENDER. I shall be opposed to it.

Mr. HUMPHREY. Mr. President, in that case I shall save some of my time to use after the chairman of the committee has made his persuasive argument. I yield the floor at this time, hoping to get the response of the chairman of the Committee on Agriculture and Forestry.

THE PRESIDENT'S BIRTHDAY ANNIVERSARY

Mr. BENTON. Mr. President, will the Senator yield 5 or 6 minutes to me?

Mr. HUMPHREY. May I inquire of the Chair how much time I have remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 15 minutes remaining.

Mr. HUMPHREY. I am delighted to yield up to 8 minutes to the Senator from Connecticut.

Mr. BENTON. Mr. President, tomorrow, May 8, will be President Truman's birthday. It is also, by coincidence, the sixth anniversary of the President's proclamation—less than a month after he had assumed his present high office—announcing the unconditional surrender of Germany.

During the 6 years since Germany surrendered, the President of the United States has had to make many fateful decisions. These have included the decision to use the atomic bomb, which was a decision aimed at shortening the war against Japan; and the proclamation of the Truman doctrine, which, with the support it received in Congress, served to protect the independence of Greece and Turkey and to help check the sweep of communism to the Mediterranean.

The President has proposed and courageously fought for such farsighted measures as the Marshall plan and the Atlantic Pact, which have received the overwhelming support of the people of the country. Had it not been for his vision, courage, and leadership in initiating such necessary steps, we could now be isolated in a Communist-dominated world, if not, indeed, engaged in a war—yes, Mr. President—with the odds against us.

During the 6 years, because he has had the courage to fight for what he believes to be right, President Truman has been subjected to almost unparalleled abuse, both political and personal. Two abusive pieces have appeared in magazines of national circulation within the past few weeks. I am glad today to invite the attention of Senators to a magazine article of a different sort. It is the story of Harry Truman and his father, which was told for the first time in the March issue of Parents' magazine. The article was written by Bela Kornitzer, author, historian, and former member of the Hungarian cabinet, who escaped from his country when the Nazis invaded it, and is now living in the United States.

President Truman granted Mr. Kornitzer an interview about his father, and members of the President's family also cooperated in providing material. The President later corrected the manuscript in his own hand, and a copy of the manuscript, with his revisions, has been presented to the Library of Congress.

The result is a warm, human, and moving story of the President's origins and of the home into which he was born on May 8, 1884, and in which he was reared. I hope that all Senators will read the article, and I ask unanimous consent that it be inserted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOLD FOR THE FIRST TIME—THE STORY OF TRUMAN—HOW TRUMAN'S FATHER INFLUENCED HIS SON AND ENCOURAGED MANY TRAITS WHICH ACCOUNT FOR HIS EMINENCE—MUCH HAS BEEN WRITTEN ABOUT THE MOTHERS OF PRESIDENTS—THIS ARTICLE HIGHLIGHTS THE RELATIONSHIP BETWEEN A FAMOUS SON AND HIS FATHER

(By Bela Kornitzer)

The regular Thursday afternoon press conference in the office of Harry S. Truman was over. Eben Ayers, White House assistant secretary, turned to the President.

"Mr. President, this is Bela Kornitzer. He's the man who's going out to Independence to see your family."

Mr. Truman grinned and put out his hand for a firm handshake. He was delighted to meet me, he said. I would certainly find some grand folks out there in Independence. He wished me luck.

With that Presidential blessing, I started out on a journey into history—an attempt to piece together, from the members of the Truman family and from those neighbors still living who remembered him, the story and character of Harry Truman and his father, John Anderson Truman, farmer and trader of Independence and Grandview, Mo.

When I presented my White House letter of introduction to Vivian Truman, the President's brother, in his office in Kansas City where he is district director of the Missouri Federal Housing Administration, he read the note carefully and then looked at me questioningly.

"I don't quite understand," he said. "Why do you want to know about father? He was not a national figure. Why are you interested in him?"

I explained that in Hungary I had written a book on notable fathers and sons; that I had been surprised to find so much written here about Franklin Roosevelt and his mother, Sara Delano Roosevelt, and about Harry Truman and his mother, Martha Ellen Truman, and so little about James Roosevelt

and John Truman—fathers. My book had been based on the fact that in the Old World, at least, fathers traditionally played a dominant role in family life. In this country, on the other hand, fathers seemed overshadowed. I wanted to set the balance a little more equally—and how better than to write about Harry Truman, President of the United States, and his father?

Sitting there, it wasn't difficult to note a marked resemblance between Vivian Truman and his brother.

"One thing you could always say about father," Vivian Truman said. "He taught us not to fear work. Harry worked hard as a boy—he did his full share of milking the cows, hauling fodder to the cattle, and feeding the pigs, just as father and I did. If Harry has courage to face the grave problems he does today, he gets that straight from father."

Two years younger than the President, Vivian operated the Truman farm in Grandview from 1915—when his father died—until 1934. In contrast to the President, whose movements are sharp and quick, Vivian still has the slow, deliberate action and pace of the farmer.

"Now, let's see," he said. "I'm afraid we can't get much done now, with the pile of work I've got in front of me today. Suppose you come back tomorrow at this time. I'll have my sister, Mary Jane, and cousin, Ralph Truman, here and we'll try to see what help we can give you."

I was at the door when he said, "By the way, Mr. Kornitzer—don't expect too much. We Trumans are pretty plain people."

When I arrived the next afternoon, I found Vivian Truman seated at a conference table in his office with a tall, powerfully built, silver-haired man who bore about his eyes and mouth a striking resemblance both to Vivian and Harry Truman. His military bearing was obvious as he rose to shake hands.

"This is Gen. Ralph Truman—Maj. Gen. Ralph Truman, retired, to give you his full title," Vivian said. "Ralph is a first cousin to Harry and me. And I think you ought to know that he's a veteran of four wars." Vivian ticked them off on his fingers—"Spanish-American, Philippine Insurrection and the First and Second World Wars." The general took my hand in a grip which made it ache. "Well, now, I don't know that we ought to go into that," he said mildly. "I understand you're interested in the President's father, Mr. Kornitzer. Of course, I knew him well—he was my uncle John, my father's younger brother."

Vivian Truman took out a billfold and extracted from it a small yellowed photograph of a young man with a thin, sensitive face, heavy lidded eyes, a sharply chiseled nose, and dark hair carefully slicked down across a high forehead and brushed back above his ears.

"That's the most precious photograph we have of father," said Vivian. He and the general both studied it for a few moments, and then the general said, "You know, Vivian, come to think of it, that's Margaret's face. She's the absolute image of her grandfather."

At this moment the door opened and Miss Mary Jane Truman arrived, a little breathless and apologetic for being late. The President's sister is a slender, energetic woman, dressed in black and wearing black gloves, her eyes quick and alert behind metal-rimmed glasses.

"We were just commenting on how much Margaret takes after father," Vivian said. "You don't realize it until you look at this picture."

Miss Mary Jane, after a moment's study, nodded in agreement. "It's more than taking after him in looks only," she said. "Do you remember how father loved to sing? He had a fine, pleasant voice, and he had a musical ear, too. I can still see him standing behind Harry and me, while we were playing a duet on the piano, humming along in perfect tune. And you'd always have some idea where he was during the day, out in the barn or in the field, because you'd hear him singing."

This love of music was shared by John Truman's son, Harry. His piano teacher still treasures a clipping from the local paper which reviews with enthusiastic praise a piano recital by Harry Truman, age 14, and predicts that the young pianist will achieve fame and fortune in the field of music.

The general said: "Uncle John loved the farm. You know, until he was 39, he'd done nothing but farming, first in Lamar and then in Grandview. But in 1890—father was 39 then—Harry reached his sixth birthday and was ready to go to school. Uncle John began thinking about that and decided he had to move to Independence, where schooling was available. He had to give up farming and find something else to do in Independence. So he became a trader in livestock."

"That was a hard decision for father to make," Vivian Truman added, "because essentially farming was his life. And before too many years passed, he returned to it. You know, the family originally came from Kentucky—my grandfather, Anderson Shipp, was a farmer too—and father was always a man of the soil. We were all raised around here—this was our domain—the farm and the land. To be a good farmer in Missouri—that's tops. That's the finest thing you can say about a man. And that's what father was—a first-rate farmer. He knew livestock; he knew horses and he knew mules. He could tell their age simply by glancing at them—never had to examine their teeth. And that explains, of course, how he happened to go into trading. It was making practical use of his knowledge as a farmer who knew livestock and knew their value."

Mary Jane Truman said: "Father would never have left the farm, even for a little while, if it weren't for his children. As a girl, I remember how proud he was of the prizes and ribbons his livestock won at the county fairs. But he had us and our schooling to worry about—not only Harry, who was 6 then, but Vivian and me."

The general said: "Now, about this livestock trading. I think I've read almost everything that's been written on the Truman family, and in all those thousands of words, I've found only a sentence or two about the President's father. That usually boils down to a rather condescending characterization of Uncle John as a 'horse and mule trader.' People just don't understand when they talk like that," he said. "In the first place, he dealt not only in mules and horses; he dealt in all livestock—cattle, hogs, goats, horses, and mules. Even the mule-trading aspect of it was very important. The mule was the automobile of those days and a good team of mules sometimes brought a price equal to that of a small automobile today. One thousand dollars for a team of mules was not infrequent. Your trader was a substantial figure in the community and played an important part in the economic life of the community."

"Let's go back a bit and get a clearer picture of those years," said Vivian Truman. He took a pad of paper and with a pencil began jotting down dates.

"We can begin with some data about the family which you might find interesting. The first Truman we know of was a John de Tremaen, who lived in Normandy, about 1257. The first Truman to settle in this country was Joseph Truman, who came from Nottingham, England, to New London, Conn., in 1666. I'm told that there was a Sir among our British ancestors—Sir Benjamin Trueman—who lived in London about 1750. I don't know.

"Father was born December 5, 1851, on a farm near Holmes Park, Mo. His parents, Anderson Shipp, whom I've mentioned before, and Mary Jane Holmes—Mary Jane here was named after her—came there from Kentucky 5 years earlier.

"Father was a bachelor until he was 31." Vivian opened a drawer and pulled out a thin volume entitled "History of Jackson County, Mo." "This was published in 1881," Vivian went on, "the year father married Martha Ellen Young. She was the daughter of a neighboring farmer and stockdealer, Solomon Young."

Both the Truman and the Young families settled in the vicinity of each other near Grandview, but with a history of radically different activities. John's father had stuck to the farm. Martha's father had become a stock trader, a transcontinental shipper, and a prosperous man.

Instead of settling down with either of their families, or even in their vicinity, John and Martha Truman moved to Lamar, 115 miles south of Independence, and the seat of Barton County, where John had built Martha a house. It was here, in 1884, that Harry, later to become the thirty-second President of the United States, was born.

"This old history speaks of Grandfather Anderson Shipp Truman," Vivian continued, "and then it goes on to say this about father—remember, this came out just before father married." He read aloud, "John A. Truman resides with his father and manages the farm; he is an industrious and energetic young man and one that bids fair to make a success in life."

Miss Mary Jane remarked in a thoughtful voice, "Those were rather prophetic words. Father was a happy man—he enjoyed every moment of his family life, and he was happy when he went into politics in later years. Of course, it would have been wonderful if he could have lived to see Harry go to Washington. I sometimes wonder," she said, "what father would have said had he been told what fate had in store for one of his children."

"Well," said Vivian, "he was certainly happy in his children. And he knew Harry had ability. He liked the way he never had an idle moment after he got out of high school—if he wasn't working as an usher in a movie house, he was working as a timekeeper on the Santa Fe, or at some other job, but always industrious. And you know how delighted he was when Harry saved up enough money from these jobs to buy a whole set of an encyclopedia and not only that but a set of Shakespeare."

"That was Harry," said Miss Mary Jane, nodding. "He was very interested in books from the start, in facts of all kind, and especially in history and government. He could never get enough of that kind of reading."

Vivian Truman studied his notes. "To get back to where we were—father and mother lived in the house in Lamar where Harry was born for only 2 years or so, and then they moved to a farm 30 miles from Independence, in Cass County. I was born there.

"The next year, 1887, we moved to the Young farm, the farm of mother's folks, near Grandview, and it was there Mary Jane was born.

"That was the year father first became active in politics. He was 36 then. He never sought public office, you know, but he was always interested in civic life and particularly in Democratic Party affairs. Cleveland was his idol. And when President Cleveland visited Kansas City that year, father was a member of the delegation which welcomed him."

"That's right," spoke up Miss Mary Jane. "I remember father telling us how he rode a big gray saddle horse in front of the reviewing stand, with President Cleveland standing there, big as life, and everyone cheering."

"This brings us," said Vivian, "to 1890, when Harry was 6 years old and we moved to Independence, so Harry could start school. We lived in Independence for the next 10 or 11 years—until 1901—with father making

his living as a stock dealer. Then we moved back to the Young farm, but father still kept his hand in Democratic politics. In 1908, he was very active in the campaign and ended up a county delegate to the Missouri State Democratic Convention in Joplin. Two years later he became an elections judge in Grandview precinct."

"That reminds me of something very interesting," broke in General Truman. "Come to think of it, wasn't Harry's first political experience the time he served as clerk to Uncle John when he took on that elections judge job? I'm pretty sure it was."

Vivian nodded. "Yes; about this time Harry was followed pretty closely in father's footsteps. In 1912, father was appointed road supervisor in the area around Grandview. And 2 years later, his story ends. He died in 1914, just before the war broke out. After his death, Harry was appointed in his place as road supervisor, and he left that position, as you know, to enlist in the Army. From then on," said Vivian, pushing his little pad to one side, and sitting back in his chair, "from then on, I guess Harry's history is pretty well known."

Miss Mary Jane put a gloved hand on the table. "It is very strange," she said, slowly. "You attempt to sum up a man's life, and you have facts and statistics and dates—and yet, you don't have the man himself. Father was a greatly loved man. Those who remember him remember him as a man of honor, whose word was good, and who was thoroughly loyal to his family and his friends. I don't suppose you can find anything awfully exciting in his life. He lived with his family until he was 30—as you see; a good son and a dutiful one. And when he married, later in life than most men of those days, he became as good and dutiful a husband and father as he was a son."

"Well, sir," Vivian Truman said, "I think we've exhausted what we can tell you."

I thanked them each, and added that when I was at the White House, the President's press secretary had suggested I might also speak with some of John Truman's contemporaries, whom I could find in Grandview and Independence.

Vivian nodded. "That should be helpful," he said. "Some of father's old friends might have more to give you."

"By the way," remarked General Truman, speaking to Vivian, "what about Grace? She'd certainly have quite a bit to say if I got her on the telephone and persuaded her." He turned to me, "Grace Summer is my sister and she was terribly fond of her Uncle John. You can find her in Dallas. She's a retired school teacher."

"I think that is a fine idea," said Miss Mary Jane. "The general and Grace, you see, were orphaned as children and father took Grace into our home—she was about 10 or 11 then—and that was even before any of us were born. Grace, you might say, was a big sister to us."

On the wall of the living room in Dallas, Tex., in the home of Mrs. Grace Summer, hangs a copy of the Presidential proclamation, stating Germany's unconditional surrender on May 8, 1945.

"That's an interesting memento," Mrs. Summer said. "May 8 is Harry's birthday." She added, "He sent me that as a surprise. Harry is like Uncle John in that he loves surprises and never forgets his family."

She was seated in an easy chair and she had just put down a copy of a current biography of Harry Truman.

"I began reading this after the general telephoned me," she said. "We see Harry differently than he usually appears in books. I thought I might find something about Uncle John that might help refresh my memory, but in this book, at least, there's not much about him. In fact, I haven't read much about him anywhere.

"The first memory I have of him is as he took me by the hand and we went into the chicken coop to gather eggs from under the hens. They were making a frightful rumpus, and I thought he was so brave. I really don't know what would have happened to me if it hadn't been for him—taking me into his home, and raising me with all the love he gave his own children.

"And he loved children—there wasn't anything he wouldn't give up to spend time with us. He liked to tell us stories. I remember his voice—very soft—and how well he could sing.

"He taught me to ride a horse. Of course, almost everyone rode in those days, but I think Uncle John had the finest horse in town. He taught Harry, Vivian, and Mary Jane to ride when they grew old enough."

She smiled reminiscently. "Good heavens," she said, looking at the proclamation on the wall. "I remember Harry when he was this high——" She put out her hand. "He was such a tiny fellow and always so earnest in everything he did. And he always looked so studious because he was wearing glasses when he was only 12.

"Uncle John, as far as I remember, never wore glasses. He was not a big man—thin, rather small with fine features, good-humored and, I'm afraid, a little quick-tempered. But he always got over that just as quickly as it happened. He was a handsome man, I'd say, and particularly painstaking about his clothes.

"He went to church regularly—he was a Baptist, but he was liberal in religion. I recall him saying often, 'Don't think that only Baptists have free access to heaven.'

"Yet he had a powerful faith in God, and a powerful faith in what a man could accomplish by courage and determination. He had no use for a coward. He raised his children to have faith in themselves and their potentialities, and never, never, to give up.

"That," she said, "is what he gave Harry, of course. That confidence in himself, that spirit of never-say-die.

"The last time I saw Uncle John was about 2 years before he died. We were living in Bomarton, and he came there. We were terribly thrilled, I remember. We looked on it as a real occasion—an important visitor was coming. He brought us all gifts, particularly sacks of candy and nuts for the children. He'd never forget them."

When I reached Independence, Federal Judge Henry A. Bundschu, a classmate of Vivian Truman, gave a party. He had invited John Truman's friends—the youngest in his 80's, the oldest in his 90's—"Uncle" Reese Alexander, Henry Rummell, Sam Woodson, Olney and Harvey Burrus, Henry P. Chiles, Charles Kemper. Also present were Roger Serman, mayor of Independence, and Ethel and Nellie Noland, cousins of Harry Truman.

"I remember John Truman as a small man, quiet, with a face wrinkled by weather and sun, with crow's feet and a hint of a smile around his eyes," Judge Bundschu said. "He was quick-tempered. There was one incident, I'm told, in which John Truman became so enraged with a lawyer who accused him of misrepresenting facts that he was ready to take his fists to him."

"John was a good trader," said "Uncle" Reese Alexander, 93. "I can still remember when he moved to Independence and bought a two-story house on Crysler Street. He had a large back yard there and he filled it with horses, cattle, goats, and other livestock. That's where he dealt. A mighty good trader, John Truman. Yes, sir. Very stubborn, but on the square.

"All of us used to envy the Truman boys because of that collection of horses and goats and cattle John kept in back of the house. When he wasn't dealing in livestock, he was always working around the barn."

"I had another reason for envying the Truman boys," said Henry Rummell, a harnessmaker. "John Truman once came into my shop with two brown goats. He wanted me to make a harness for them so Harry and Vivian could use them to pull their cart when they went out hunting walnuts. I never remember anybody else asking for a goat harness in the 44 years I've been in business."

"I remember that harness," said Henry P. Chiles. "And I also recollect Mr. Truman's smile. I remember him building a decorative iron fence that went all the way around his property."

Olney Burrus, who had been John Truman's lawyer, said, "He was something of an inventor, you know. He was pretty ingenious that way. So far as I know, John was the first man to drill a gas well in this part of the country. His Crysler Street place was the site of a natural-gas well and next to it was a small storage tank to hold the gas which was piped to the house for fuel, and also to the Gleason house about 200 feet away. That well was more than 300 feet deep. John had the foresight to develop it.

"I recall the very first day John came to see me to talk about an automatic railroad switch he had invented. At that time all railroad switches were thrown by hand. John wanted advice. The Missouri Pacific had offered him $2,000 a year in royalties for it. That was on the basis of $1 a switch, and they wanted 2,000 of them.

"The Chicago & Alton line, in competition, offered him $2,500. This was John's big deal, though, and he set a price—$2 a switch, on the basis of 2,500 a year. That meant $5,000 a year. But the best offer he could get was still for only half of that.

"In the long run both lines rejected his price. Later the Missouri Pacific used an improved version of the invention and John, under the patent law, was unable to establish further claim to it."

Olney Burrus, an old man, shook his head. "I suppose there's a moral for you. Maybe you'd say that if Harry S. Truman is stubborn, he gets it from his father."

Henry Rummell, the harnessmaker, touched me on the arm.

"Something you ought to know," he said. "I'm a Republican. Been one all my life. And I'm the only man who ever defeated Harry Truman at the polls. Back in 1924. He was running for reelection as county judge, and I licked him. But Harry wasn't put out. Next day in front of the courthouse, he came up to me, shook hands, and said, 'Henry, no hard feelings. It was a fair fight.'"

Mayor Serman said, "When I was 7 years old, I had measles, and I was quarantined. But John Truman, I remember, dropped in, paying no attention to the yellow sign, and brought me some candy to cheer me up. I was in bed in a dark room with the blinds drawn, and he said to me jokingly, 'You're going to get better, Roger, and you're going to grow up and be mayor some day.'"

In Washington, at the White House, President Truman was reminiscing. "Yes," he said, "it was all interesting—these stories about his father." Some he had not heard himself. For example, the yarn about John Truman's invention of a railroad switch. He never had known about that. But, in the main, it was true that his father was essentially a man of the soil, who believed in the virtues and decencies of life, and delighted in the love of his family. He could still remember his father's voice, raised clear and strong, in Chistmas carols. Then there was the time his father gave him a Shetland pony—a beautiful animal—and he had gotten on it, and no sooner was he on it, than the pony reared and he was thrown. His father was really disappointed in him then. John Truman had been an excellent horseman. He rode a horse as though he were a part of it.

Mr. Truman rose, walked slowly to the side of his desk and stood there, knuckles pressed against the desk top, and went on to say

that those were really hard days. He remembered sitting in a saddle all night, riding alongside his father as they took a herd of cattle from Independence to the Kansas City stockyards for shipment. His father worked hard. What was it they had said of him in that old history of Jackson County, Mo.? "John A. Truman resides with his father and manages the farm; he is an industrious and energetic young man and one who bids fair to make a success in life." Industrious and energetic. That was true. His father was diligent, he worked hard, he had his ups and downs. And, with it all, I could see the President was deeply moved as he added that his father was the happiest man he ever knew.

Mr. BENTON. Mr. President, in my Jackson Day dinner speech at New Haven I said that historians would do justice to President Truman even if present-day newspapers do not. In my 18 months in the Senate I am proud to attest to the high courage and intellectual quality of his major decisions and policies. He had the courage to fight for the big steps forward in the field of our foreign policy, just as he now has the courage to recall General MacArthur. I remember several so-called tough votes which I cast in support of his policies in the space of a few weeks last summer, when I was a candidate for office.

President Truman had the courage to stand up and veto a bill giving free and perpetual medical service to Spanish-American War veterans, and only three of us in the Senate supported him. He stood firm against the Spanish loan, as originally presented. He resisted the pressures of postal clerks, when they sought special privileges and bonuses not granted to other veteran postal and Federal workers.

The decision in these cases, which were not supported by too many Members of the Senate who were candidates for office last November, typify the President's courage and character. Of all men, we in the Senate should appreciate and value the qualities which won him election to the United States Senate, to the Vice Presidency, and, finally, to the Presidency. I am proud in my small way to do him honor on the eve of his sixty-seventh birthday.

CONDUCT OF HEARINGS BEFORE ARMED SERVICES AND FOREIGN RELATIONS COMMITTEES

Mr. LONG. Mr. President, will my colleague [Mr. ELLENDER] yield to me for a moment?

Mr. HUMPHREY. Mr. President, I have a few minutes left. I am delighted to yield to my friend, the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. How much time does the Senator from Louisiana wish?

Mr. LONG. One minute.

Mr. HUMPHREY. I yield 2 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, as one of the members of the Senate Committee on Armed Services who have supported the chairman, the distinguished junior Senator from Georgia [Mr. RUSSELL], in insisting that the hearings on the MacArthur affair be in closed session, releasing all possible information to the public, I was pleased to see that several of the newspapers have realized the importance of keeping the vital secrets of the Nation from falling into the hands of the enemy.

Again today, with the testimony of General Marshall, we saw the most compelling reasons why the hearings must be behind closed doors. I will say for our chairman that he has made every effort to see that every bit of information that could safely be released to the American people was released, so that they might have as much understanding as possible of this issue.

I was pleased to see in the Washington Post of today a very admirable editorial giving what I believe to be due credit to the chairman of the committee for the manner in which he has conducted the hearings up to this time. I ask unanimous consent that the editorial be printed in the body of the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. HILL. Mr. President, reserving the right to object—and I shall not object—the Senator from Louisiana has fully expressed my sentiments on this question. It so happens that earlier in the day I placed in the RECORD the editorial to which he refers.

Mr. LONG. That being the case, I shall not ask that it be printed in the RECORD. I withdraw my request.

Mr. HILL. Of course, the remarks of the Senator from Louisiana will appear in the RECORD.

Mr. LONG. Yes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 136) allowing the consumer of gasoline to deduct, for income-tax purposes, State taxes on gasoline imposed on the wholesaler and passed on to the consumer.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 321. An act to provide that on and after January 1, 1952, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash;

H. R. 576. An act for the relief of Fred E. Weber;

H. R. 591. An act for the relief of B. J. Scheuerman, Daniel Fuller, W. Hardesty, and John M. Ward;

H. R. 594. An act for the relief of Japhet K. Anvil and Howard A. Monroe;

H. R. 622. An act for the relief of Mrs. Oksana Stepanovna Kasenkina;

H. R. 632. An act for the relief of Janina Wojcicka, Wojciech Andrzej Wojcicki, and Stanislaw Wojcicki;

H. R. 664. An act for the relief of Mrs. Coral E. Alldritt;

H. R. 667. An act for the relief of Hildegard Dettling and Judith Ingeborg Dettling;

H. R. 714. An act for the relief of James A. G. Martindale;

H. R. 781. An act for the relief of Frederick Edmond Tomkins, Mary Ann Tomkins, and Edward Marshall Tomkins;

H. R. 789. An act for the relief of John Yan Chi Gee;

H. R. 859. An act for admission to the United States of Mrs. Margot Kazerski;

H. R. 887. An act for the relief of First Lieutenant Walter S. Moe, Jr.;

H. R. 889. An act for the relief of Lena Valsamis and Lucy Balosa Valsamis;

H. R. 890. An act for the relief of Athina Mary Onassis;

H. R. 891. An act for the relief of Mary Valsamis Dendramis and Vassili G. Dendramis;

H. R. 898. An act for the relief of Gunter Arno Thelemann;

H. R. 1101. An act for the relief of Mrs. Sadako Kawamura Lawton;

H. R. 1111. An act for the relief of Taro Takara;

H. R. 1121. An act for the relief of Chin Yok Kong;

H. R. 1117. An act for the relief of Kimiko Shibuya;

H. R. 1141. An act for the relief of Saint Patrick Hospital and The Western Montana Clinic;

H. R. 1150. An act for the relief of Mario Pucci, Giacomo Favetti, Giuseppe Omati, Vincenzo Andreani, Lambruno Sarzanini, and Alessandro Costa;

H. R. 1164. An act for the relief of Pietro Giannettino;

H. R. 1263. An act for the relief of Dr. Chia Len Liu;

H. R. 1264. An act for the relief of Jacquelyn Shelton;

H. R. 1421. An act for the relief of Dr. Fernand Van Den Branden;

H. R. 1422. An act for the relief of Carl Parks;

H. R. 1438. An act for the relief of Mrs. Ingeborg Ruth Sattler McLaughlin;

H. R. 1451. An act for the relief of Charles R. Keicher;

H. R. 1475. An act for the relief of Elena Erbez;

H. R. 1798. An act for the relief of the estate of Yoshio Fukunaga, deceased;

H. R. 2068. An act for the relief of Sook Kat;

H. R. 2175. An act for the relief of Addie Dean Garner Scott;

H. R. 2304. An act for the relief of Bernard F. Elmers;

H. R. 2357. An act for the relief of Lucia Adamos;

H. R. 2450. An act for the relief of Concetta Santagati Giordano;

H. R. 2654. An act to amend section 10 of Public Law 378, Eighty-first Congress;

H. R. 2714. An act for the relief of Marcelle Lecomte;

H. R. 3196. An act to amend section 153 (b) of the Internal Revenue Code;

H. R. 3291. An act to amend subdivision a of section 34 of the Bankruptcy Act, as amended; and

H. R. 3292. An act to amend subdivision a of section 55 of the Bankruptcy Act, as amended.

SUPPLYING OF AGRICULTURAL WORKERS FROM MEXICO

The Senate resumed the consideration of the bill (S. 984) to amend the Agricultural Act of 1949.

The PRESIDING OFFICER. The Chair announces that the 15 minutes allowed by unanimous consent to give the Senator from Illinois [Mr. DOUGLAS] and the Senator from New Mexico [Mr. ANDERSON] an opportunity to reframe their amendment have now elapsed. Pursuant to the unanimous-consent agreement, the Senator from Illinois [Mr. DOUGLAS] has the floor.

Mr. BREWSTER. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. Yes, indeed.

Mr. BREWSTER. Do I correctly understand that the Senator from Illinois is retaining the language "by reasonable inquiry"? If so, I wish to ask him to interpret that language. We do not have wetbacks in Maine, but a great many of our friends come over from Canada. They work both in the potato fields and in the woods. What is the meaning of "reasonable inquiry"?

Mr. DOUGLAS. Mr. President, I am not a judge, or the son of a judge, or the grandson of a judge. These matters would be left primarily to judicial interpretation. The language would mean, however, that an employer would be expected to check up on the legality of entry of the aliens whom he employed, and should not accept them sight unseen without making some effort to determine whether or not their papers are in order.

Mr. BREWSTER. How is he to know that a certain employee is not a native? Would a birth certificate be required? I suppose conditions are different in the South, but up in Maine a great many of us speak the same language. What is the employer supposed to do?

Mr. DOUGLAS. The Immigration and Naturalization Service would be expected to issue cards to those who are legal entrants, and the employer could at least ask to see a man's card. If he did not ask to see the man's card, this would be one circumstance in which he would fail to make "reasonable inquiry."

Mr. BREWSTER. If he is a native, of course, he will not have a card.

Mr. DOUGLAS. I understand that.

Mr. BREWSTER. When a native of Maine goes to Illinois, he has no card to show that he is a native of Maine.

Mr. DOUGLAS. There is supposed to be freedom of migration within the country—and fortunately there is.

This provision, of course, applies only to aliens. It is not intended to establish a registration system for persons who are citizens of the United States. However, those who are legal entrants are supposed to carry with them some document to indicate that they are legal entrants. It would be proper to ask a man whether or not he was an immigrant. If so, he could be asked to show his card.

Mr. BREWSTER. If he says that he is not an immigrant, what is the employer supposed to do? Is he supposed to investigate his birth certificate?

Mr. DOUGLAS. There is certainly no obligation to investigate his birth certificate or to ascertain whether he has paid a poll tax or property tax or whether he is upon any voting roll or not. There is certainly no such obligation. But if all the circumstances of appearance and language and lack of identification card and failure to furnish any evidence of residence give rise to a question as to legality of entry, the employer should make some further inquiry.

Mr. President, I should like to modify my amendment by striking out lines 1 and 2 on page 1; by striking out the figure "8", in line 3; beginning in line 3, after the word "person", striking out all down to and including line 2 on page 2, and inserting in lieu thereof in line 3, page 1, after the word "person", the words "who shall employ"; on page 2, line 3, after the word "any", by inserting the word "Mexican"; by striking the words "including an alien crewman", in line 3, on page 2; in line 7, on page 2, after the word "aliens", by striking out "or any person who shall employ any alien"; and on page 2, line 11, after the word "employed", by inserting the word "such."

Mr. WHERRY. Mr. President, may the clerk read the amendment as proposed to be modified by the distinguished Senator from Illinois?

The PRESIDING OFFICER. The amendment, as modified by the Senator from Illinois, will be read.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert the following:

SEC. —. Any person who shall employ any Mexican alien, not duly admitted by an immigration officer or not lawfully entitled to enter or to reside within the United States under the terms of this act or any other law relating to the immigration or expulsion of aliens, when such person knows or has reasonable grounds to believe or suspect or by reasonable inquiry could have ascertained that such alien is not lawfully within the United States, or any person who, having employed such an alien without knowing or having reasonable grounds to believe or suspect that such alien is unlawfully within the United States and who could not have obtained such information by reasonable inquiry at the time of giving such employment, shall obtain information during the course of such employment indicating that such alien is not lawfully within the United States and shall fail to report such information promptly to an immigration officer, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $2,000, or by imprisonment for a term not exceeding 1 year, or both, for each alien in respect to whom any violation of this section occurs.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WHERRY. The modified amendment, in line 3 on page 2, contains the language "any Mexican alien." Therefore the problem of the distinguished Senator from Maine [Mr. BREWSTER] would be taken care of, would it not?

Mr. DOUGLAS. That is correct. We believe that this provision is good enough to apply to any alien; but we are restricting its application solely to Mexican nationals.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am very glad to yield to the Senator from Florida.

Mr. HOLLAND. Am I correct in my understanding that all that portion of the original amendment proposed by the distinguished Senator which would have extended to other fields of immigration and immigrants than Mexican nationals coming into the United States for agricultural labor purposes has been stricken from the amendment?

Mr. DOUGLAS. The Senator is correct.

Mr. HOLLAND. And it is the purpose of the Senator, in his modified amendment, to restrict the modified amendment wholly to the field covered by the pending measure?

Mr. DOUGLAS. The Senator is correct.

Mr. HOLLAND. However, the penalty is retained in exactly the same words and to exactly the same degree of punishment as was stated in his original amendment.

Mr. DOUGLAS. The Senator is correct.

Mr. HOLLAND. Mr. President, with that understanding I wish to say that I hope very strongly that the Senate will adopt the amendment, as modified.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. BREWSTER. I think the Senator has solved the problem so far as we who live on the Canadian border are concerned. However, this suggestion is a little reminiscent of our former legislation excluding aliens of certain nationalities. Has the Senator given consideration to that question?

Mr. DOUGLAS. I may say to the Senator from Maine that I should like to have these provisions apply to all illegal entrants of whatever nationality, but when that was proposed it was said it would interfere with the jurisdiction of the Committee on the Judiciary which was framing a general revision of the immigration law. Therefore we have confined the application of this amendment to employment of that type of labor covered in the agricultural labor measure now before us. In other words, it is an attempt to confine the penalty to violations with respect to the type of labor covered in the measure before us, and not to broaden it out to amend the general immigration law.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. WHERRY. Mr. President, I believe I have 5 minutes remaining. I yield 2 minutes to the distinguished Senator from Maine so he may ask questions.

The PRESIDING OFFICER. The Senator from Maine is recognized for 2 minutes.

Mr. BREWSTER. Mr. President, would the Senator from Illinois address himself to the question as to whether or not this in any way suggests a parallel to our exclusion act with respect to Asiatics, which has aroused so much controversy because of discrimination against certain groups. To what extent is it likely to give affront?

Mr. DOUGLAS. I may say to the Senator from Maine that the measure before us provides for no exclusion whatsoever of Mexican labor. It sets up procedures for bringing in Mexican labor under a treaty with Mexico, and then it states that if these procedures are not followed, and if Mexicans are brought into the United States illegally, certain penalties shall be inflicted upon those who knowingly, or with reasonable grounds to believe them illegal entrants, employ this Mexican labor, or who do not endeavor reasonably to inform themselves as to the legality of the entry of these workers.

Mr. BREWSTER. Does not the Senator from Illinois believe the Mexicans would feel that their aliens are being discriminated against in that aliens coming into this country illegally from other countries are free from the penalties provided in this amendment?

Mr. DOUGLAS. I do not think so. I think that would be straining at a gnat. The penalties here imposed will be upon farm operators of this country who breach the terms of this section. Of course, the Committee on the Judiciary has a similar measure under consideration with respect to revision of the general immigration laws, as well as the separate Ellender bill, S. 1391, and that matter can be dealt with by the Committee on the Judiciary.

Mr. WHERRY. Mr. President, I will now yield 2 minutes to the distinguished Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. Mr. President, I will need only 1 minute. The provision in question cannot be regarded as an exclusion provision, because the Mexican Government has asked for this type of protection; therefore, the Mexican Government should be satisfied.

Mr. President, I should like to say that I hope the chairman of the committee will realize that the term "Mexican alien" is used in the provision. I personally had thought that the term "Mexican national" would be better. If the amendment, as modified, is adopted, I hope that when the bill goes to conference the chairman will keep in mind that we are dealing with persons with respect to whom an attempt is being made to bring them into the United States by the proposed legislation, and that perhaps a change can be made in regard to the use of the word "alien."

Mr. WHERRY. Mr. President, regardless of whether we designate the person to be a Mexican national, a Mexican citizen, or a Mexican subject, one who comes into the United States under the proposed legislation is here as a Mexican alien; and if brought in illegally, the person who brings him in would be subject to the penalty provided in the measure. Is that not correct?

Mr. ANDERSON. I think that is correct, and I am happy to support the amendment.

Mr. WHERRY. If I have any more time under my control, I should be glad to yield it back and have a vote on the amendment, as modified.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Illinois [Mr. DOUGLAS], as modified.

The amendment, as modified, was agreed to.

The question now recurs to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY], which had previously been under consideration, but action on which, under the unanimous-consent agreement, was deferred so the amendment of the Senator from Illinois, as modified, could be considered. The Senator from Minnesota now has the floor, and has 6 minutes of time remaining.

Mr. HUMPHREY. Mr. President, I shall be glad to yield the floor so the Senator from Louisiana may make any statement in opposition to my amendment he may wish to make.

Mr. ELLENDER. Mr. President, I think we are now going far afield from the wetback problem with which we are trying to deal. I yield to no Member in the Senate in my efforts to try to enact legislation to prevent wetbacks from coming into the United States. I realize we have before us a problem which if not settled soon may strain the cordial relationship which now exists between ourselves and the Mexican Government. The pending question, I believe, is one that should be dealt with by the Committee on the Judiciary. I entertain the same view with respect to the amendment which was just adopted. But since I was the author of a bill which sought to carry out the same purpose, I was placed in the position where I could not deny my own bill.

Under the law as it now exists, and under the Constitution, an immigration official must obtain a warrant before he can go into a farmer's home to find out whether an alien is harbored there. What is now proposed to be enacted into law would permit entry by an immigration official at almost any time. I believe it would be rather dangerous for us to agree to such an important amendment as this, one which denies the privacy of a man's home, an amendment which would permit an official to enter private premises at almost any time of day in searching for wetbacks or other aliens. I believe, Mr. President, that by adopting the amendment we have just agreed to, we have taken adequate steps toward solving the wetback problem.

Mr. CORDON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MOODY in the chair). Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. ELLENDER. I yield.

Mr. CORDON. The Senator speaks of an official going into someone's home. Is there anything in the amendment that indicates that a right would be given to an official to enter anyone's home?

Mr. ELLENDER. I did not hear the Senator. Will he please repeat his question?

Mr. CORDON. I do not understand that the amendment makes any such provision. I understood, however, the Senator from Louisiana said it would permit an official to go into a man's home at almost any time.

Mr. ELLENDER. Let us assume a farmer employed four or five persons who were lodged in the farmer's home. When I worked in the wheat fields of North Dakota back in 1912 and 1913 I slept in the barn. Under our law and our Constitution, before an official could enter such premises to make an investigation or to make an arrest, he would have to obtain a warrant.

Mr. CORDON. The language of the amendment is "to permit reasonable entry and inspection of the places of employment." Does that not mean that the "places of employment" would be the farms?

Mr. ELLENDER. It would be the house, if a man was working in the house.

By the adoption of the Douglas amendment we have imposed fines and imprisonment in case an employer employs a wetback or an alien who is illegally in the United States. I can well conceive that if the pending amendment is adopted, the immigration officials will be permitted, under the conditions set forth in the amendment, to go into a man's home and make a search without having a search warrant, although the law now requires that a search warrant be first obtained. I think to permit a search to be made without having a search warrant would be going too far, Mr. President. So far as I am concerned, I believe the amendment should be rejected.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. ANDERSON. Will the Senator yield several minutes to me?

Mr. ELLENDER. How much time have I left, Mr. President?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. ELLENDER. I yield to the Senator from New Mexico as much time as he requires.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ANDERSON. Mr. President, following the remarks of the distinguished chairman of the committee, I merely wish to say, that a great many persons are worried considerably about this proposal. In the case of some employers, there have been repeated complaints that officials of the Immigration Service have gone too far in visiting the fields and making inquiries of the workers there and asking them to present their credentials for entrance into the United States. Mr. President, we do not have a white-card system in our country, although I have tried rather hard to have enacted a bill providing for one. We do not require workers who perhaps are working in the cotton fields to stop work in order to satisfy some official who wonders whether they are properly in the United States.

I am anxious to have the Congress enact legislation which will strike at the wetback situation and will stop the illegal entry of such persons into our country; but I think it would be all wrong for officials of the Immigration Service to be allowed to go into the fields and demand of the workers there, "Show us evidence that you are properly in the United States at this time." If we were to permit that to be done, I think we would destroy a great deal of the usefulness of the imported labor.

If the Government has evidence that a certain person is improperly in the United States, undoubtedly the Government has a perfect right to act in such a case. Under the terms of the amendment we have just adopted, those who employ such persons can be properly punished.

However, I think it would not be best, in attempting to have harmonious relations and proper conditions established, to permit a horde of investigators to go into the fields and demand from the workers there evidence that they are properly in this country.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MORSE. Would the Senator from New Mexico have any objection to

adding to the amendment just adopted the amendment I now have pending?

Mr. ANDERSON. No, for I think the Senator's amendment accomplishes all that it is necessary to accomplish in this field. I think the amendment of the Senator from Oregon goes beyond the amendment of the Senator from Illinois; and so far as I am concerned, I should like to see the Senate adopt the amendment of the Senator from Oregon.

In my opinion, the pending amendment is a bad one. I base that statement on the fact that time and time again I have received hundreds of complaints from farmers who say that the immigration officials go along the highways, not to pick up wetbacks who may be on the highways, but to go to individual farms and bother the workers in the fields there, hour after hour, all day long. That is what I should like to strike at.

So I shall be glad to support the amendment of the Senator from Oregon, which I originally stated I should be glad to support. I think his amendment, coupled with the fine amendment of the distinguished Senator from Illinois, would give us all we need in this field.

I really am worried about the pending amendment, I wish to to say.

Mr. MORSE. Mr. President, I suggest to my friend, the Senator from Minnesota [Mr. HUMPHREY], if I may do so—and I also call this matter to the attention of the Senator from Louisiana [Mr. ELLENDER]—that there be a little negotiation on the floor, in view of the fact that I took the language of my amendment from the bill which the Senator from Louisiana has pending before the Judiciary Committee.

Therefore, I wonder whether my good friend, the Senator from Minnesota, will consider withdrawing his amendment and substituting my amendment for it, with the understanding that we can add my amendment to the amendment which has just been adopted, and then stop with that.

Mr. ANDERSON. Mr. President, I was hopeful that the Senator from Oregon would propose his amendment as a substitute for the amendment of the Senator from Minnesota; and I would hope that we would adopt his substitute, and then add it to the bill which is to go to conference. If we would do that, I think we would solve this entire problem.

Mr. MORSE. I would rather have that suggestion come from the Senator from Minnesota.

Mr. ANDERSON. Of course the Senator from Oregon has a right to propose it if he wishes to do so.

Mr. MORSE. Yes; but I would rather not negotiate from that end first.

Mr. ANDERSON. Very well.

Mr. HUMPHREY. Mr. President, let me say that I am almost persuaded and convinced—"almost thou persuadest me"—of the validity of the argument advanced by the Senator from Oregon. However, I wish to remonstrate for a moment with my friend, the Senator from New Mexico, because I am somewhat disturbed about the importance that is attached to my amendment.

The President's Commission on Migratory Labor in American Agriculture, which spent a great deal of time investigating this problem—much more time, I may say, than any Member of the Senate has; and I think I am not unkind in making that statement—feels that my amendment is a rather modest, meek, mild proposal. On page 87 of the report of the President's Commission, the proposal in the amendment which has just been adopted—that of the Senator from Illinois [Mr. DOUGLAS]—is referred to as one which goes so far that the Commission is not sure that it should be adopted. The proposal in the amendment of the Senator from Oregon was considered by the Commission as the second most stringent proposal. However, the proposal I have advanced was unanimously acclaimed as being filled with light, hope, and charity.

Of course during this debate, certain fears and doubts have been expressed. However, let me read from the report of the President's Commission on Migratory Labor in American Agriculture:

> Statutory clarification on the above points will aid in taking action against the conveyors and receivers of the wetback. These clarifications of the statute, together with increased funds and personnel for enforcement, are possibly all that are needed to deal effectively with the smuggler and the intermediary. But this will not be enough. Something more needs to be done to discourage the employment of wetbacks and to take the profit out of it. It was repeatedly suggested to the Commission that it recommend making the employment of a wetback a crime.

That is what we have just done.

I read further:

> This suggestion has merit since, if the risk involved in employing wetbacks were increased, the traffic would soon diminish. In addition to making employment of an illegal alien unlawful, much would be accomplished by taking the profit out of such employment. It seems likely that if farm employers had to maintain a decent standard of minimum wages, irrespective of the nationality of the worker to whom the wages are paid, the advantages of wetback employment would disappear.

Then in the report the President's Commission goes on to point out the following:

> The attack on the problem will have to be manifold. The wetback traffic has reached such proportions in volume and in consequent chaos, it should not be neglected any longer. The techniques to be employed may be of various types but we believe the basic approaches are encompassed in our recommendations.

The headline at that point in the report is "Recommendations;" and I continue to read:

> RECOMMENDATIONS
>
> We recommend that—
>
> (1) The Immigration and Naturalization Service be stregnthened by (a) clear statutory authority to enter places of employment to determine if illegal aliens are employed.

Mr. President, I make note of the fact that out of all the approaches dealt with in the Commission's report on the wetback problem, this was considered to be the first approach—not the final and conclusive approach, but the first one. The approach we have taken on the floor of the Senate, which was logical for purposes of debate and argument, was to take the most extreme proposal first—namely, to make the employment of such persons a crime—which has been done by the amendment of my able friend, the Senator from Illinois. Next, it is proposed that we take the approach of restricting the use of such labor. That approach is covered by the amendment of my friend, the Senator from Oregon, which I shall support. Third, we might take the obvious approach of permitting the immigration officials to go into places of employment where the wetbacks might be found, and to provide those officials with the tools with which they could make proper enforcement of these provisions.

That does not mean that we should authorize a horde of immigration officials to run about the country interrogating workers in the fields. The Congress would not authorize that to be done; in fact, Congress could prevent such a thing by placing sufficient restrictions on the appropriations. Of course, that is a method by which the Congress has been able to control such situations very well.

Perhaps it would be well to provide further restrictions. On the other hand, I wish to say that it does not do much good to say that the employment of wetbacks is a crime if we do not make it possible for the proper officials to determine whether wetbacks are actually employed.

So I propose that we permit the proper officials to determine whether wetbacks are being employed. However, it is not my proposal that such officials be permitted to go into the farmer's parlor to make such inquiries. Let us not misunderstand my proposal, Mr. President. My amendment would not permit the officials making such investigations to determine whether the wetbacks were being invited to share the Sunday dinner with the farmer and his family, but my amendment would permit the officials to go into the camps and centers of employment to find out whether wetbacks were there.

So I do not propose to withdraw my amendment. I prefer to go down fighting, rather than to withdraw an amendment which I consider to be as important to this bill as a police department is important to the enforcement of a city ordinance. In other words, I believe it would be as fallacious to withdraw this amendment as it would be to withdraw from a displaced persons bill the provisions regarding the functioning of the Immigration and Naturalization Service in that connection.

Mr. ANDERSON. Mr. President, may I ask the Senator to allow me time on my side of the amendment?

Mr. HUMPHREY. Of course, I was using my own time.

The PRESIDING OFFICER. The Chair understands that the Senator from Minnesota was using the time of the Senator from Louisiana.

Mr. HUMPHREY. No, Mr. President; I still have approximately 5 minutes of my own time left.

The PRESIDING OFFICER. That is correct; but the Senator from Louisiana

had the floor, and had yielded to the Senator from New Mexico.

Mr. HUMPHREY. I am sorry. I ask that the time I have used just now be charged to my own time.

The PRESIDING OFFICER. Very well.

The Senator from Louisiana has 5 minutes remaining.

Mr. ELLENDER. Mr. President, as I indicated a while ago, we have gone far toward making an effort to settle the wetback problem. Question has been raised several times with respect to the so-called Morse amendment. Personally and as chairman of the committee, I have no objection to the Morse amendment, for the simple reason that it is not only desirable, but, under the present agreement between our Government and the Mexican Government, there is this provision:

> 23. Permission to contract workers under this agreement shall not be granted to those employers who continue to use Mexican workers who are illegally in the United States.

So since that provision is already in the agreement between the United States and Mexico, I can see no harm in incorporating it into the law itself.

Mr. ANDERSON rose.

Mr. ELLENDER. I yield the remainder of my time to the Senator from New Mexico.

Mr. HUMPHREY rose.

Mr. ANDERSON. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wonder whether the Senator would yield to me to make a unanimous-consent request that, in view of the great interest which has been manifested in the Morse amendment, the vote on the amendment which I have offered be temporarily withheld, that the Morse amendment may be now considered and voted upon, so that we clear the decks on that particular amendment, and then revert to the amendment which I have offered.

Mr. ANDERSON. I would be very glad to do that, because I am for the Morse amendment.

Mr. HUMPHREY. I am, too; and I am glad to cooperate with the Senator from New Mexico. I ask unanimous consent that the pending amendment be laid aside for the moment, that the Senate proceed to consider the Morse amendment, and that, at the conclusion of debate on the Morse amendment, we revert to the Humphrey amendment which is now before the Senate.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, in view of the modification made in the Douglas amendment, I desire to modify my amendment C in line 5, before the word "alien", to insert "Mexican", and, in line 8, before the word "alien", to insert "Mexican." I have no further argument to make in support of my amendment.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Oregon, as modified.

The LEGISLATIVE CLERK. On page 5, line 5, after the word "employment", it is proposed to insert: "*Provided*, That no workers shall be made available under this title to, nor shall any workers made available under this title be permitted to remain in the employ of, any employer who has in his employ any Mexican alien when such employer knows or has reasonable grounds to believe or suspect or by reasonable inquiry could have ascertained that such Mexican alien is not lawfully within the United States."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE], as modified.

GENERAL MARSHALL AND THE DATE DECEMBER 7, 1941

Mr. McCARTHY. Mr. President, I wonder whether the Senator from Oregon will yield me 2 or 3 minutes for a brief statement.

Mr. MORSE. I yield 2 minutes to the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, I would like to read into the RECORD a brief excerpt from a book by Arthur Upham Pope entitled "Maxim Litvinov." The reason for my wishing to put this in the RECORD today is that the two committees, sitting jointly, are now examining General Marshall. His memory was not too good this morning. It recalled to my mind the fact that his memory was faulty concerning the events on the morning of December 7, and the night before. In order to refresh his memory, I now read from a purported part of a diary in this book by Arthur Upham Pope, to the effect that Marshall was meeting Litvinov on the morning of December 7. I quote from page 473:

> On the morning of Sunday, December 7, Litvinov's plane arrived at Bolling Field, Washington, D. C. He was received by Brig. Gen. Phillip R. Fementhal, former military attaché in Moscow, now chief of the supply mission to the Soviet Union, by General Marshall and Admiral King, among other officers and officials.

I called Bolling Field to see whether that was the day on which Litvinov's plane arrived, and whether there was any record of General Marshall's having met him, in order that we might better refresh the general's memory.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. LANGER. Does the Senator mind stating the year? He said December 7, omitting the year.

Mr. McCARTHY. 1941. In other words, it was on Pearl Harbor day. I called Bolling Field, and was told it is the practice to destroy such records after 1 year's time, and that it was impossible to give me that information. However, my office talked to one of the young men who was at Bolling Field at the time, and he said that, while he could not recall the exact date, he recalled that a plane landed with a number of Russians on or about that date. I think this might be of some interest to the committees which are now examining General Marshall. They might want to use it to refresh the general's memory.

SUPPLYING OF AGRICULTURAL WORKERS FROM MEXICO

The Senate resumed the consideration of the bill (S. 984) to amend the Agricultural Act of 1949.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oregon [Mr. MORSE], as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. Under the unanimous-consent agreement previously made, the Senate now reverts to the consideration of the amendment of the Senator from Minnesota [Mr. HUMPHREY].

Mr. ANDERSON. Mr. President, I want to say that I am not too much worried about what happens to this amendment. I am not going to fall out with my good friend from Minnesota about the amendment. I simply say to him that I have had opportunity personally to investigate case after case in which the Immigration Service has used this sort of club to whip employers whom they did not like, and to go along with employers whom they did like. A short time ago I pointed out that when Mr. Wilmoth was in charge of the El Paso office of the Immigration Service—and I am not going to cast any kind of aspersion on him, because he is dead, he regularly went around in the fields, checking up on certain employees and employers, as to whom he had not received a report for a long time. The man in charge of the San Antonio office never worried about any of those things at all. One group of people could bring in all the wetbacks they wanted, more than were ever brought into my State, and more than were ever brought into the State of Arizona, and nearly as many as were brought into California. There was no check-up whatever in those areas, but one individual officer in a particular area was using that discretion.

If we have a law against narcotics, I do not expect that a narcotics officer will come to my house, or to the house of any other Member of the Senate, to say, "I want to search your house today, to see whether you are violating the law." If he has any evidence that I am violating it, let him make it known.

I think I have gone a long way in trying to support the amendments which have been adopted here today. I do not think the farmers of my State like either the Douglas amendment or the Morse amendment; but I consider them to be reasonable amendments, and I am glad to support them. But I see, from my experience with the administration of laws of this kind on the border, that I do not like the pending amendment, because under it a man, in the uniform of the Immigration Service with a pistol on his hip and a big badge on his coat, could go around and inquire as to the legality of the entrance of anyone, including Mexican nationals who are legally here under contract, brought in under certification of the Department of Labor. The alien laborers become scared at that sort of thing and say, "We are going home; we do not know what this officer wants to start, but we are not going to be arrested."

I think the amendment goes too far. If the immigration officers know there has been a violation, they ought to find out about it. They ought to be able to search it out. But they do not need the

language of this amendment to enable them to act.

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I merely wanted to ask the Senator whether he felt that the phraseology, "permit reasonable entry," was in anyway clarified. I sense some of the fears which the Senator from New Mexico expresses, in that the foreign workers are justifiably concerned. I want the Senator to know that it is not the intent of the Senator from Minnesota to have any type of gestapo method employed against these people. It was merely my intent to try to expedite or to facilitate the enforcement of the law regarding the wetback.

Mr. ANDERSON. Mr. President, I am not trying to criticize what the Senator said. All I am saying is that I think it might be well to take the new authority granted by the Douglas amendment and the authority granted by the amendment of the Senator from Oregon [Mr. MORSE] and see if those two amendments do not give us all the administration we need with respect to wetbacks. I believe they do.

Mr. DOUGLAS. Mr. President, first, I want to congratulate——

The PRESIDING OFFICER (Mr. LONG in the chair). The time of the Senator from New Mexico has expired.

Mr. HUMPHREY. Mr. President, I yield whatever time the Senator from New Mexico needs to complete any interrogation or comments he may wish to make.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LANGER. Under the amendment of the Senator from Minnesota, could the officers go in at any time of the day or night?

Mr. ANDERSON. There is no restriction whatever on them.

Mr. LANGER. They could go in at midnight and ask anything they wanted to ask?

Mr. ANDERSON. I think so. I know how the Senator from North Dakota is always sympathetic to the cause of labor, but I think he would agree with me that we have to proceed more or less slowly in these matters. We have already made a great step forward in the bill. I commend the spirit of the Senator from Florida and the Senator from Illinois in trying to work out this question. I commend the Senator from Oregon for not opposing the amendment or pleading with the Senator from Illinois to withdraw his amendment. I know troubles can come to the program, and I want to say to the Senator from Minnesota that if it does not work out properly, both he and I, God willing, will be in the Senate a year from now, and I shall lend support to him if it has not worked out well.

Mr. DOUGLAS. Mr. President, I congratulate the Senator from New Mexico on his fair-mindedness, and to ask whether the Senator from Minnesota is not correct in his fear that at present immigration officers may lack legal authority to enter farms and ranches or other enclosed land to inspect or search for aliens who have entered illegally. They now have authority to enter private property if they have a warrant, or without a warrant if a deportable alien is on the property and is likely to escape, but I do not think it is equally within their authority to enter farms and ranches to hunt for aliens who have entered the country illegally. That is the fear that is in my mind.

Mr. ANDERSON. What has happened in regard to searches is what has so incensed farmers along the border. The immigration officers do not have the authority to search, but that does not prevent them in the slightest from making searches. Farmers protest. I should like to have the subject treated on the basis suggested by the Senator from Illinois and the Senator from Oregon. If that does not work, we shall have to try something else. I am not asking the Senator from Minnesota to withdraw his amendment. I am going to be compelled to vote against it, because it can hurt what I think is otherwise a good program. My desire is to have wetbacks prevented from working within the United States. There are many employers—Senators know of many of them—who try to work out their problems decently with fair wages, and I think they should have a chance to have a bill that will work properly.

Mr. CORDON. Mr. President, I rise to support the amendment offered by the Senator from Minnesota. In my opinion, we shall never get the wetback problem solved along the border if we handcuff the persons charged with the duty of doing the job. If they cannot go where the wetbacks are and determine who they are and how many there are, there will be no enforcement of the law. Very often we provide penalties that are too heavy, so that the law is not enforced. This amendment gives to the employers who desire to take advantage of a special privilege granted them along the border the right to do so. That is where the wetback problem is found. They must agree, if they are going to take labor from across the border, that they will permit the officers of the United States to determine the question. It is a sound provision, in my opinion, and I shall support it.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Minnesota. [Putting the question.] The Chair is in doubt. The Chair will ask for a division.

On a division, the amendment was rejected.

Mr. MORSE. Mr. President, I want to be recorded as voting in favor of the amendment.

Mr. ANDERSON. Mr. President, I call up my amendment A.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from New Mexico.

The LEGISLATIVE CLERK. On page 4, line 21, it is proposed to strike out the word "already" and insert in lieu thereof the word "legally."

Mr. ANDERSON. Mr. President, I merely wish to say that I was almost persuaded that the Senator from Minnesota had a better amendment than I had, and I have almost persuaded him that I have a better amendment than he has. We are trying only to straighten out a provision which might be misinterpreted. I believe the adoption of my amendment would help greatly in the proper administration of the law. I know the hour is late, and I do not care to discuss the amendment in great detail. I think everyone is familiar with the problem that is posed. I hope the chairman of the committee will take the amendment to conference.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. Mr. President, if I were to choose, I should prefer the amendment offered by the Senator from Minnesota because it conforms more to the amendment adopted by the committee. I hope that is agreeable to my distinguished friend.

Mr. ANDERSON. I think I shall modify my amendment to conform to the amendment proposed by the Senator from Minnesota.

Mr. ELLENDER. To that I have no objection.

Mr. HUMPHREY. Mr. President, we are being so kind to one another that it reminds me of Alphonse and Gaston, or whoever the duo were. There is a difference between the two amendments. The amendment proposed by the Senator from Minnesota would check on those persons who illegally entered the United States, who had gained illegal entrance, strictly at the entrance points.

The amendment of the Senator from New Mexico not only checks them on illegal entrance, but checks on those who illegally remain. I say his is a more inclusive amendment. It only goes to prove that there is no substitute for legislative experience. I saw only the edges of the proposition, and the Senator from New Mexico saw the entire picture.

Mr. ANDERSON. Mr. President, I absolutely cannot resist that kind of temptation. I insist upon the original language of my amendment. I shall not take the language of the amendment offered by the Senator from Minnesota. I ask the chairman of the committee if he will take my amendment to conference.

Mr. ELLENDER. I shall be glad to do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. ANDERSON], as modified.

Mr. ANDERSON. No, Mr. President, not as modified. I left my amendment as it was.

The PRESIDING OFFICER. The Senator from New Mexico did not modify his amendment.

Mr. ELLENDER. Mr. President, in that situation I cannot agree to take the amendment to conference. The question was thoroughly discussed in Mexico City, and what we are trying to accomplish is: if there are some Mexicans who have legally entered the United States, but whose contract has expired, to make provision whereby they can be recontracted. The amendment of the Senator from Minnesota would permit

that being done, whereas, if we adopted the amendment of the distinguished Senator from New Mexico, it would be necessary for all Mexicans whose contracts had expired to go back to Mexico, and reenter before they could be recontracted.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. I understand, then, that it is because of contractual obligations to Mexico that the Senator prefers the Humphrey amendment.

Mr. ELLENDER. That is correct.

Mr. ANDERSON. Then, Mr. President, I modify my amendment, and will use the language contained in the amendment of the Senator from Minnesota.

Mr. HUMPHREY. The Senator realizes, does he not, that he is taking the language which is less comprehensive.

Mr. ANDERSON. I realize that, but I also realize that the Senator from Louisiana went to Mexico when some of the others of us refused to go, and worked hard, and accomplished as fine a result as has been accomplished in this field in a long time.

I wish to commend him for saying that the amendment of the Senator from Minnesota is preferable.

The PRESIDING OFFICER. The clerk will state the amendment, as modified.

The LEGISLATIVE CLERK. On page 4, line 22, after the word "in", it is proposed to insert the following: "by virtue of legal entry."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico, as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I call up my amendment lettered "O," of April 25, 1951.

The PRESIDING OFFICER. The legislative clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, line 18, it is proposed to strike out the period and insert a comma and the following: "and (3) reasonable efforts have been made to attract American workers for such employment at terms and conditions of employment comparable to those offered to foreign workers."

Mr. HUMPHREY. Mr. President, I believe the language of the amendment is self-expressive and self-defining. It provides that reasonable efforts shall be made to attract American workers, at terms and conditions of employment comparable to those offered to foreign workers. In essence, this is the crux of the bill. As has been pointed out by the Senator from New Mexico, the measure which is being sponsored by the Committee on Agriculture and Forestry is a decided advance. I have indicated again and again to the chairman of the committee that I feel it is a substantial advance in the field of our relationships with Mexico on the whole subject of migratory labor.

However, Mr. President, I am sure that all of us are justly concerned about the standards of employment and working conditions of our own domestic labor supply. As has been pointed out today and on other days during the debate on the pending bill, certain of its provisions in some instances would give the Mexican worker advantages far beyond those granted to domestic workers. I would not deny such advantages to the Mexican worker. I think he ought to have them. I think we are dealing with a great humanitarian service. We are trying to lift his standard of living and his standard of working conditions. However, I feel that as we do such things for the Mexican workers we should provide the same advantages to our own workers. Likewise, I think that before the Secretary of Labor or anyone else makes certification for the importation of foreign labor we ought to be certain that the source of American labor has been fully exhausted, at least to the point where domestic workers could meet the employment requirement.

So I say the amendment is fundamentally expressing the will of the Senate, which I think it is fair to describe as not wishing to discriminate against domestic workers.

There is, of course, no such thing as an absolute shortage of manpower. Shortages of manpower are relative to the terms and conditions of employment offered. It may surprise Members of this body to learn that the report of the President's Commission makes the fact extremely clear that domestic workers are offered less advantageous terms and conditions of employment than are offered to foreign workers. I wish to emphasize that fact. Despite all the hue and cry which is being made about the working conditions of the foreign workers—and they are bad—the fact is that the working conditions of domestic migratory workers in terms of employment are even more sad and despairing than those of the foreign workers. Mexicans are guaranteed minimum employment. The Mexican contract guarantees employment for 75 percent of the contract period, which frequently is 6 months. The Puerto Rican contracts guarantee 160 hours of employment in each 4-week period. The employment guarantee for workers from the British West Indies is in terms of minimum earnings. They are guaranteed minimum earnings of $25 in each 2-week period.

The striking finding of the President's Commission, from the 12 hearings, which were held across the country, is that domestic workers are not characteristically offered such employment guarantees. In only one instance did the Commission receive testimony indicating that the terms and conditions of employment offered to foreign and Puerto Rican workers were offered to domestic workers, though in two or three other instances it did find contracts offered to domestic workers in less advantageous terms. The most important of the differences in terms and conditions of employment is the employment guarantee.

Mr. President, I shall not burden the RECORD with an extended discussion of the subject, because my friend, the chairman of the committee, is thoroughly familiar with the facts on the migratory labor problem. Everyone who has participated in the debate is in essence a student of the problem. At least he has spent some time and effort to dig out the facts.

If adopted, my amendment would provide, first, that reasonable efforts shall be made to attract American workers. In other words, we shall not legislate a discriminatory pattern against American workers who are available for the job. Secondly, employment shall be at terms and conditions of employment comparable to those offered to foreign workers.

Mr. President, I submit that no one would want to give to people who were imported into the country better working conditions than are given to our own American citizens, who are taxpayers of our country, who are called upon to defend our country, who exercise their duties of citizenship, and who perform their duties of community work and community leadership.

In other words, the amendment would make crystal clear to millions of people in America that as we legislate to alleviate employment conditions for foreign workers we do not legislate against our own brothers and sisters and our fellow citizen in the continental limits of the United States of America. We would give to our American citizens at least equal treatment with foreign workers. We would be giving a written guaranty to the American worker that he would be given as fair and equitable treatment in terms of employment and working conditions as are extended to the worker who is imported from Mexico. He would be given an opportunity to fill the job. If he cannot fill the job we will go to a foreign country—in this instance to Mexico—to find laborers who can fill it. I believe it is a patently fair request of Congress. It certainly seems eminently fair in terms of our domestic labor supply.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. LANGER. Would it mean, for example, that a farmer in Minnesota would have to give a guaranty to a migratory laborer?

Mr. HUMPHREY. No; it does not mean that at all. I may say to my friend from North Dakota, that first of all it means that before anyone in Minnesota, South Dakota, or North Dakota could import any Mexican laborer every reasonable effort shall have been made to find the necessary labor supply in our own States. I think no one would deny that it should be done. Secondly, it means that the American worker at least ought to get as much pay, as good housing, and as good medical treatment as is supplied to a foreign worker who is imported into the country.

Mr. LANGER. Would it have to be in writing?

Mr. HUMPHREY. No; it would merely establish a number of standards.

Mr. LANGER. In other words, it says much, but it does not mean anything?

Mr. HUMPHREY. Yes; it means something.

Mr. LANGER. What does it mean?

Mr. HUMPHREY. It means that every means must be exhausted to find out whether or not there is available a domestic labor supply. Secondly, the American worker shall not be compelled to work under conditions less favorable than those under which a Mexican worker labors. The amendment can be given meaning in terms of medical care, type of employment, length of employment, wages, hours of work, housing, and all the other factors entering into the employment of foreign migratory workers.

Mr. LANGER. Let us take Mr. X, who is a farmer. He wants to employ some Mexican laborers in his sugar-beet fields. What must he do in order to get American labor? Must he advertise in newspapers?

Mr. HUMPHREY. He would go to his employment office. Perhaps he would go to his newspaper. His major source of supply would be through the farm placement service of his State employment agency.

Mr. LANGER. If he finds all the American labor he needs to work in his sugar-beet fields, must he make some sort of a written contract with his workers, saying, for example, that the workers shall have 160 hours of work?

Mr. HUMPHREY. It would be a good thing to do. However, it is not mandatory.

Mr. LANGER. It is not mandatory?

Mr. HUMPHREY. No. It is an effort to establish a standard. It is an effort to provide that before contracts can be let in an area, such as in Minnesota or North Dakota, first of all the Secretary of Labor shall declare that there a labor shortage exists. It means that there must be examination within that area to determine whether there is a domestic labor supply. Then it says to the prospective employer that at least the American worker has the right to expect conditions of employment which are as favorable as those given to the foreign worker.

Mr. LANGER. Under the Senator's amendment would the American worker get what he expects?

Mr. HUMPHREY. That I cannot say. I will say to my friend from North Dakota that if the American people got from the laws of the land what they expected, we would have fewer complaints.

Mr. LANGER. Under the Senator's amendment would the American worker get what he expects?

Mr. HUMPHREY. He is not guaranteed it.

Mr. ELLENDER. Mr. President, I dislike to oppose my distinguished friend from Minnesota again, but I believe that Senators realize that it is to the advantage of the American farmer to hire local help if he can get it, because he does not have to pay the expenses of transportation and other expenses which must be paid in the case of a Mexican worker.

Sometime ago during this debate it was stated that under the terms of the bill efforts would not be made to obtain the services of all available domestic labor. I wish to point out to my good friend from North Dakota the provisions in section 503 of the bill:

> No workers recruited under this title shall be available for employment in any area unless the Director of State Employment Security for such area has determined and certified that (1) sufficient domestic workers who are able, willing, and qualified are not available at the time and place needed to perform the work for which such workers are to be employed, and (2) the employment of such workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed.

I believe that domestic workers are protected by that language. If we should adopt the amendment of the distinguished Senator from Minnesota it would mean that before the Secretary of Labor could certify that a Mexican worker is needed it would have to be shown that a domestic worker was offered everything offered to the Mexican worker—that is, his transportation, subsistence, housing, insurance against occupational risks, and everything of that kind. If the Senate is desirous of destroying this measure, it can simply adopt the pending amendment.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ANDERSON. Is it not true that in the discussion of the bill in the committee we tried to make it advantageous to use domestic labor?

Mr. ELLENDER. Exactly.

Mr. ANDERSON. We wanted it to cost more for an employer to use foreign labor. He must provide insurance, housing, transportation, and other expenses. So he would try to use domestic labor. Would not this amendment destroy the very purpose we tried to accomplish? Would it not destroy the differential?

Mr. ELLENDER. There is no doubt about it.

Mr. ANDERSON. I do not know that the Senator would care to comment, but the first part of the amendment of the Senator from Minnesota reads:

> And (3) reasonable efforts have been made to attract American workers for such employment—

Then follows language which makes the provision unworkable, namely—

> at terms and conditions of employment comparable to those offered to foreign workers.

The American worker would have to be offered transportation to a border point. He would have to be given subsistence, burial expenses, and other allowances. This amendment would take him completely out from under the workmen's compensation laws and social security laws. I believe that we would be doing a great injustice to domestic workers by adopting this amendment, which would require that they be given the same privileges as are given foreign workers. Therefore it would be made just as attractive and advantageous to an employer to employ a foreign worker or a man from Mexico.

I know that the Senator from Minnesota is interested in the American workingman. I hope he will see that there is a very decided advantage to the American workingman in having a situation in which it costs more to bring in a worker from Mexico, because of the extra expense involved. Under such conditions the employer will try to use domestic workers, as he should do.

Mr. ELLENDER. That is what I tried to point out a moment ago. I am glad to have the distinguished Senator from New Mexico bring out that point.

The only reason why the Mexican worker is being given all these extras is that the Mexican Government is insisting upon it for its own nationals. As the distinguished Senator from New Mexico has pointed out, the bill would make it more expensive for an American employer to hire Mexicans. Therefore, his inclination would be to employ domestic labor in preference to foreign labor.

Mr. HUMPHREY. Mr. President, I merely wish to point out that the Mexican Government has been most vigilant in its attention to the needs of its own nationals. The Mexican Government insists on certain protections being written into the law for the benefit of its own people. What the junior Senator from Minnesota is attempting to say—possibly with not too much clarity—is that if the Mexican Government can get our delegation to agree to protect the nationals of Mexico, I think we ought to do a little toward protecting the nationals of the United States.

Perhaps my language in this amendment is too stringent, too restrictive, or too comprehensive. I am open to suggestions as to any modification which would tend in any way to make it more palatable or acceptable.

Mr. ELLENDER. Mr. President, I believe that the language which is now in the bill, and to which I have referred on many occasions on this floor, is sufficient to protect domestic workers. As I have pointed out many times, the Secretary of Labor, who is to administer the law, must make two determinations. First, he must determine that there is not sufficient domestic labor available; and secondly, that the wages paid to the Mexican labor will not in any manner affect the wages paid domestic workers.

Mr. HUMPHREY. On that point I think we can come to some agreement.

Mr. ELLENDER. It strikes me that that language is sufficient protection. I grant to my good friend from Minnesota that we may have gone a little far in agreeing to what the Mexican Government was demanding. However, the Mexican Government has had some experience in the past; and from that experience have come these new ideas as to how the contract should be formulated.

I may state to my good friend that there is nothing to prevent an American worker from asking for the same terms and conditions as are given to Mexican laborers. The Senator understands that.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. The only reason why we have incorporated such a provision in this bill is that that is the only way by which we can obtain these workers.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. DOUGLAS. I should like to make a suggestion which may reconcile the apparent differences between the Senator from Minnesota on the one hand and the Senator from Louisiana and the Senator from New Mexico on the other.

The objections by the Senator from Louisiana and the Senator from New Mexico seem to be addressed to the words "and conditions of employment comparable to those offered to foreign workers" in line 4 of the amendment. The Senator from Louisiana and the Senator from New Mexico are afraid that this language might be used to require the meeting of transportation costs of domestic workers, sickness costs, and so forth.

If we were to strike the words "and conditions of employment" and substitute the phrase "of wages and hours," the language would then read:

> And (3) reasonable efforts have been made to attract American workers for such employment at terms of wages and hours comparable to those offered to foreign workers.

That would eliminate the need for meeting transportation costs, health payments, and so forth, and would merely mean that an employer could not import foreign workers unless domestic workers received equal wages and did not work longer hours.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. That could mean that an employer would have to guarantee the domestic worker work for at least three-fourths of the time covered by the contract whether he worked or not. In other words, suppose the employer employs him for 2 months. Whether the employee works or not, the employer would have to guarantee him three-fourths of the time at whatever pay is agreed on. That was one of the conditions we had to agree to in the agreement made with the Mexican Government, for the reason that the Mexican workers come from afar, spend a good deal of time on the way, and an agreement had to be made that if the contract was, let us say, for 4 months, the workers would be guaranteed at least 3 months of employment; otherwise, it would not pay them to come here. Under the amendment proposed by the Senator from Minnesota, it would be necessary to extend the same conditions to the domestic worker, which would be most costly.

I believe the domestic worker is thoroughly protected under section 503 of the bill, which I have read time and again. I repeat, it is to the advantage of the employer to hire local labor because it is cheaper in the long run. I repeat what the Senator from New Mexico said a moment ago, that all the conditions which are imposed with respect to the employment of Mexican labor make the costs so high that it discourages an American employer from employing a Mexican rather than an American worker.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. The Senator refers to the possibility of local labor being able to fulfill employment needs. As a matter of fact, the supply of migrant domestic workers is not always adequate locally. There is a group of domestic labor which travels from one side of the country to the other, and at times it would be necessary to go very far away, to the other side of the Nation, to obtain employees.

Mr. ELLENDER. Mr. President, I had a talk with Mr. Don Larin of the Farm Placement Service of the United States Employment Service. I am sure the Senator knows him.

Mr. HUMPHREY. Yes.

Mr. ELLENDER. I asked him to write me a memorandum as to what efforts were made to determine that domestic workers were not available. This is what he wrote:

> Statements have been made during this debate that sufficient domestic labor is available for agricultural employment if proper recruitment efforts were to be made. The requirements of the United States Employment Service, before it will certify to the unavailability of domestic labor, are specific. These indicate very clearly the efforts involved before any certification for the importation of foreign labor will be made.

Listen to this:

> First, every employer must file an order with a local employment office requesting domestic labor. The local office searches its files for qualified workers, and if unable to recruit the labor on the basis of its records, resorts to other recruitment devices which commonly include use of the press and radio.
>
> When the local office has been unsuccessful in its own jurisdiction, it originates a clearance order which will reach every office in the State before the effort is extended beyond State lines. Each local office attempts to recruit the needed labor.
>
> If there is no labor supply within the State, the State office of the employment service sends the order to adjoining States, where it goes to local offices thought to have a potential supply of labor. Those local offices recruit labor through the use of their own files and by other recruitment devices.
>
> Should adjoining States be unable to furnish the labor, the order goes to a regional office of the United States Employment Service, which sends the order to other States which may have a potential supply of labor.
>
> If the regional office first receiving the order and adjoining regions cannot locate a source of labor supply the order is transmitted to the Washington headquarters, who transmit the order to distant States which may have a potential labor supply.
>
> In every instance recruitment effort is made to secure domestic workers who are qualified and available and willing to accept employment offered.

It strikes me that if the employment service goes through all that procedure or any similar to it, there ought to be sufficient protection to domestic labor. Added to the argument I submitted a while ago, it should be plain that domestic workers will have first preference.

As I have stated, I believe that the committee has provided sufficient protection for domestic workers, and, I repeat, the only reason why we have imposed other restrictions, for instance, such as those relating to insurance against occupational risks, lodging and transportation, and other matters, is because it is the only way by which we can obtain Mexican labor.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DOUGLAS. In my effort to be an honest broker and adjust the differences between the Senator from Minnesota and the Senator from Louisiana, I wonder if the following modifying language might not be acceptable to the chairman of the committee, namely, after the word "at" in line 4, to have the remainder of the line read: "wages and standard hours of work comparable to those offered to foreign workers."

This would remove any requirement for a minimum guaranty of employment. It would provide merely that the hourly rate, the standard hours per week, would be comparable to those guaranteed to foreign labor.

Mr. ELLENDER. How would the Senator's amendment then read?

Mr. DOUGLAS. It would then read:

> Reasonable efforts have been made to attract domestic workers for such employment at wages and standard hours of work comparable to those offered to foreign workers.

This would remove the question of the guaranty, it would remove the transportation payments, it would remove the health payments, it would remove the requirements for lodging. But it would provide that domestic workers could not be worked more hours a week or at lower wages an hour than apply to foreign workers.

Mr. ELLENDER. I may state to my distinguished friend that I do not have any objection to the language he has suggested, if it is agreeable to my good friend from Minnesota. It strikes me that it is already covered in the bill, so in my opinion it would be duplication, but if it will satisfy the Senator from Minnesota, I have no objection to the amendment as modified by the language suggested by the distinguished Senator from Illinois.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. In anouncing that he will be satisfied with the modified wording, the Senator from Louisiana does not propose to enlarge the requirements placed upon the individual farmer in any way, does he?

Mr. ELLENDER. No, indeed.

Mr. HOLLAND. In other words, the Senator does not propose to substitute new and required activities by the farmer for the activities now performed by the employment service?

Mr. ELLENDER. No. It would simply provide that the domestic worker is offered the same minimum wages and standard hours of work as is given the Mexican under the individual work contract.

Mr. DOUGLAS. And wages per hour.

Mr. ELLENDER. Yes.

Mr. HUMPHREY. Mr. President, I am more than happy to accept the modification proposed by the Senator from Illinois. I think it clarifies and details what is the intent of the Senator from Louisiana. I want that clarification, I want that detailed outlining, because if

there is one field of employment where all the skulduggery in the world has ever been worked, it is in this field of labor supply in the vast stretches of our land. I merely want to see the people of our own Nation given a fair chance to make a living. I am surprised to find that the Government of Mexico can extort from us more protection for their people than we give to our own people. I am glad we have this amendment perfected. I merely wanted to say a word for citizens of the United States, and at the same time pay tribute to the Republic of Mexico.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 4, line 18, it is proposed to strike out the period and insert a comma and the following: "and (3) reasonable efforts have been made to attract American workers for such employment at wages and standard hours of employment——

Mr. DOUGLAS. It should read "standard hours of work."

The LEGISLATIVE CLERK. "Standard hours of work comparable to those offered to foreign workers."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY], as modified.

Mr. HUMPHREY. Mr. President, one moment. Is the word "American" changed to "domestic"?

The PRESIDING OFFICER. No.

Mr. HUMPHREY. I believe the Senator from Illinois changed the word "American" to "domestic."

Mr. DOUGLAS. In the copy I have the word "American" had been eliminated, and the word "domestic" had been inserted.

Mr. HUMPHREY. That is the way it ought to be.

Mr. ELLENDER. That is correct.

Mr. DOUGLAS. It should read "domestic" workers.

The PRESIDING OFFICER. Does the Senator further modify his amendment accordingly?

Mr. DOUGLAS. I further modify the amendment by striking out the word "American" and substituting the word "domestic."

The PRESIDING OFFICER. The amendment is modified accordingly. Without objection, the amendment, as modified, is agreed to.

Mr. HUMPHREY. Mr. President, I now call up my amendment 4-27-51—B.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 6, it is proposed to strike the semicolon and add the following: "to be employed at a wage no less than the current prevailing wage rate for the crop and area."

Mr. HUMPHREY. Mr. President, I do not believe the amendment needs any explanation. It is almost within the text or pattern of the amendment the Senate has just adopted. But I understand the Senator from Louisiana to have said that the workers are protected by the agreement made with the Republic of Mexico. Again, since that is in the agreements which are based on the negotiation at Mexico City, I am merely one of those who would like to see it spelled out in statutory law.

So the purpose, which is self-evident, is that farm workers, both domestic and foreign, are to be employed at wages not less than those prevailing in the area for the particular crop. In this connection we are not talking about factory labor or skilled labor, but we are talking about the prevailing rate of wages paid for labor on a particular crop in a particular area. The amendment is very specific and clear; it merely provides that there shall be equality as between foreign and domestic farm workers, in respect to the wage rate; and in respect to the foreign farm workers, the amendment relates only to Mexican farm workers.

Mr. ELLENDER. Mr. President, again I hesitate to take issue with my good friend, the Senator from Minnesota. However, as I pointed out during the debate a few days ago, the contract which at the present time is entered into between the employer and the Mexican laborer provides for the payment of the prevailing wage as a minimum wage. It often happens that the wage is fixed in the contract itself; that is, it is written into the contract.

I fear that if the amendment of the distinguished Senator from Minnesota is adopted, it will mean that a great deal of red tape will be involved in connection with determining what that rate is and in determining the extent of the area which must be taken into consideration in fixing the wage rate.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. YOUNG. Yes, I wish to ask a question.

Mr. ELLENDER. Very well; I yield.

Mr. YOUNG. Would not it be almost impossible to determine what the wage should be? In a given community tractor drivers might be receiving a very high wage, whereas workers in other types of farm work might be working under quite different wage scales. So it seems to me it would be almost impossible to determine the average wage.

Mr. ELLENDER. I would not say it would be impossible to determine it, but that determination would entail a great deal of red tape.

At the present time a canvass is made in a locality to determine what the prevailing wage is for farm workers. After that is determined, it is certified by the United States Employment Service as the prevailing wage, and that wage is written into the contract itself, as a rule.

I say it is important for us to pursue the method which is now in effect, for the reason that under the terms of this bill the United States government, acting through the Department of Labor, will guarantee payment of that wage to the employee. Since payment will be guaranteed and since the contract will be entered into between the employee and the employer, it will be an easy matter to determine what amount is due the Mexican worker from the employer; and therefore, in case of controversy, the amount due the worker will be known then and there, by means of the terms of the contract itself.

Mr. HUMPHREY. Mr. President, will the Senator yield at this point?

Mr. ELLENDER. I yield.

Mr. HUMPHREY. I recognize that the Senator has made a very clear explanation of the contractual relationships which exist between the employer and the employee. I also recognize that under the terms of the agreement with the Republic of Mexico, the Government of the United States has taken on certain obligations for the fulfillment of the contract. However, as yet I have not seen a copy of the over-all printed agreement. Has the Senator put one into the RECORD?

Mr. ELLENDER. No; I have not yet done so, but I intend to.

Mr. HUMPHREY. I am sure it will be placed in the RECORD before the end of this debate.

Mr. ELLENDER. Yes.

Mr. HUMPHREY. If the Government of the United States assumes the obligation of seeing that the prevailing wages are paid under the contractual relationships, in accordance with the law of the land—which will be respected by all law-abiding citizens—it will be just that much easier for law-abiding citizens to make contracts that are to be fulfilled on the basis of the prevailing wage. In other words, the Senator from Louisiana is predicating his case on the contractual relationship between the employer and the employee; but what I am predicating my case on, in terms of the wage standards for a particular crop area and for a particular crop, is statutory law.

I am just foolish enough to believe that statutory law is more impressive and is more likely to be lived up to, or is likely to be lived up to a little better, than a contractual relationship between a Mexican employee who is a farm worker and an American employer.

I gather that there is very little difference, if any, between our objectives, because I know that the Senator from Louisiana wishes to have included in this measure every bit of protection which possibly can be included in it for the Mexican worker as well as for the American worker and the American employer. Since there is so little difference between our objectives, I submit to the Senator from Louisiana the fact that if such a provision is enacted into law, it will be a better guaranty of a sounder wage structure in a particular area and for a particular crop than will the precarious type of contract which may be reached between an employer and an employee who is a Mexican national.

I wish the Senator would give this very serious consideration, because this has a great effect upon the American domestic labor market, and has a great effect upon the individual worker who comes into our country from beyond our borders.

Mr. ELLENDER. I am convinced that the committee had that very argument in mind when we considered this bill. I repeat what I have often said, that under section 503, I am satisfied that the domestic worker is amply protected.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Florida as much time as he desires.

Mr. HOLLAND. Mr. President, I do not care to speak on this matter at length, but I do think that the adoption of this amendment would bring an additional trouble-making factor into the picture. I hope that the Senator from Minnesota will follow me carefully on this. I call to his attention the fact that it is not in the place where he proposes to put this amendment, but in section 503, on page 4, that this particular objective is cared for; and it is cared for in a much more adequate way and in a much clearer way than would be done through this amendment. I call his attention to the fact that section 503 provides that—

No workers recruited under this title shall be available for employment in any area unless the director of State employment security for such area—

This has been changed, of course, as to the officer who makes the determination—

has determined and certified that (1) sufficient domestic workers who are able, willing, and qualified are not available at the time and place needed to perform the work for which such workers are to be employed, and (2) the employment of such workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed.

However, I think that, if placed in the bill at the place where the Senator's amendment is proposed to place it, there will be brought into the bill an entirely new concept; that is, the definition of "areas," a word which is not at all defined in the bill, whereas the section from which I have read, section 503, makes it very clear that it is the very time and place where the work is to be performed that governs.

I am not familiar with the Mexican labor problem, but I am familiar with the use of Bahaman and Jamaican labor, and if the Senator will bear with me, I should like to give him this fact, which I am sure applies in greater or less degree in other areas of the country. We have on the east coast of Florida certain areas, for instance, the Miami vicinity, where labor brought in from the Bahamas, which is employed on our farms, has to be paid more money than would be paid 25 or 50 miles away from there, because it competes very definitely with the very highly paid labor which works in the tourist resorts, whereas, if it were 40 or 50 miles away from those tourist centers, in a place that very conceivably might be held by the Labor Department to be the same area, there is a different situation entirely and a different scale of pay. It is for that reason that I think the wording already included in the bill, in section 503, is much the more acceptable, because it provides that it is the rate of pay at the time and place where the work is to be performed that shall govern and I think it is much better cared for there.

I call to the attention of the Senator and of the Senate the fact that we have repeatedly had trouble from administrators of these labor measures, in the definition of "area." We have had it under the Wages and Hours Act. The Senator from Florida brought, as he understands, the first litigation which was brought under the "area of production" regulation, a regulation which was put out by the wage-and-hour department; and the Senator will remember that that term "area of production" has been in conflict and confusion ever since the act was passed.

Only recently the Senator from Florida has had a similar experience. We have a branch of the Department of Labor—with which the Senator from Florida is not finding fault at this time, but is simply using as an illustration—in connection with the determination of what are the standard rates paid to journeymen carpenters in a certain area, and the Department has included within the area not only the highly urbanized area of Miami but for many miles up the coast, so as to bring about a result which is not at all in accord with the facts, that the same standards are applied in a small community, 50 or 75 miles away, as those which apply in to urban area.

The Senator from Florida hopes that no double standard will be written into the bill in this way, but that instead, the very words, which have been approved of by the officials who have drawn this bill, will be left to fix the standard against which this particular bill will be measured.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield to the Senator from North Dakota.

Mr. LANGER. Can the Senator tell me how many Mexicans are fighting in Korea?

Mr. HOLLAND. I am not able to say. I may say that I am not familiar with the Mexican problem, and I may remind the Senator that I have repeatedly said in the course of this debate that the average foreign worker employed in the eastern part of the United States, and the governments representing the workers who come in—that is, workers from the Bahamas and from Jamaica—as is known to the Senator from Florida, and, as he understands, also, with respect to those who come in from Canada, though this is not known to him personally, they prefer not to have any regulation or control, because the farmers are paying the cost themselves, and they are working along in complete unity with each other, and they prefer to have that type of handling, so I am not able to answer the question of the Senator from North Dakota.

Mr. LANGER. I am not a member of the Committee on Agriculture and Forestry, but it seems to me that our farm boys are being taken and sent to Korea, after which the Department of Labor certifies that there is a labor shortage in the United States, and, therefore, Mexicans are brought in to take the places of the farm boys who are fighting in Korea. As a matter of fact, the Mexicans have no quota—at least, they are filling no quota in the United Nations in Korea, at all. I ask my friend whether that is not true.

Mr. HOLLAND. I am not able to state as of this time, but during the period of World War II, at which time the Senator from Florida was at the head of the administration of selective service in his own State of Florida, the matter was left to the local selective-service boards to exempt agricultural laborers on the basis of whether they were needed by the Nation to remain in production; and I may say to the Senator that it is the understanding of the Senator from Florida that this measure helps to hold up the hands not only of our boys who are fighting in Korea, but of our Armed Forces wherever they are, and of our Allies, who are looking to us for heavier food production, to make it very sure that there will not be a deficiency of workmen on the farm.

In conclusion, because I intended to be heard only briefly, I want to remind every Senator that the local labor is always most satisfactory and cheapest in the long run, which is easiest to work with, which speaks the same language as the employer. There is a particularly personal and friendly relation as a rule which applies on the farm, which is not expected in industrial relations, between employer and employee, and it is simply idle to talk about bringing in these outside people, unless there is a real need for them, and, even though I think it is hardly needed, there is a safeguard provided by the law itself, that there must be a certificate from a branch of the United States Government entrusted with the responsibility of looking into it, that, at the time and place—at the very time and place, and for that particular crop, because conditions may vary with different crops even in the same place and at the same time, that there is a shortage of labor, and that the shortage must be supplied from and furnished by a source outside the Nation.

I hope the Senator will not insist upon his amendment, because I sincerely feel that to do so would bring a dual standard into the act, which will make for greater confusion and difficulty.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. Mr. President, I wonder whether the Senator would accept the word "place" instead of the word "area." I recognized the difficulty that we have had under the "area" definition, or a definition of what is known as an "economic or employment area."

Mr. HOLLAND. The Senator from Florida feels that, if the amendment is to be used, it should be used exactly in the same words as it appears in section 503; but, if so used, he thinks there would not be any improvement of the act, because it is section 503 which is applicable to this particular provision. If the Senator wants to restate those words and put the language in the amendment——

Mr. HUMPHREY. No.

Mr. HOLLAND. The Senator from Florida would then have no objection; but he calls attention to the fact that it then becomes duplication and reiteration, and it is meaningless, though, after all, that is much preferable to having confusion, and to having two terms in the bill which might and very probably

would be construed as meaning different things, or be construed by different administrative employees as meaning different things. So the Senator from Florida hopes that his friend, the Senator from Minnesota, will not insist upon his amendment.

Mr. HUMPHREY. I should like to invite the Senator's attention to the language of section 503, to which he refers, and which particularly affects the amendment of the Senator from Minnesota. The language says:

> The employment of such workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed.

In other words, the language there means that the wages and working conditions of domestic workers shall not be pushed down. The language of the amendment of the Senator from Minnesota takes into consideration the fact that there are certain established prevailing wages in a community; that there are some people who pay less than the prevailing wage in the community, and there are always some who are getting very rich at the expense of someone else. The language of the amendment of the Senator from Minnesota says that no contracts may be arrived at or entered into which do not at least pay the prevailing wage for a particular group, in a particular place. I think that is a very important provision, because I do not think we ought to permit contracts with foreign labor to implement the downward pressures on domestic labor standards in a particular area.

Mr. HOLLAND. I may say to the Senator from Minnesota that, though I have no experience with Mexican labor, I have learned from actual experience with imported labor and our domestic labor that there is no fixed standard, but that the standard tends to change from time to time during the season. If the price for citrus fruit goes up very heavily, the workers find it out and insist on having a little greater share for their labor. If the prices of vegetables in the Lake Okeechobee area go up, the same thing takes place. From week to week there will be variations in a particular season and place. So, it seems to the Senator from Florida that it is a much sounder course to leave in the act the wording which is already there.

I may say that while I have been speaking, the Senator from Louisiana has handed me an individual work contract which I understand he will insert in the RECORD. I notice that it is in two languages, both English and Spanish. He may want to insert it only in its English version. Section 4 deals with the payment of wages. I have not had a chance to read it, but, with the approval of the Senator from Minnesota, I shall read it into the RECORD. This is a provision incorporated in the actual contract:

> 4. Payment of wages. The employer shall pay the worker the prevailing wage rate paid to domestic agricultural workers for similar work and in the manner paid within the area of employment, or the rate specified on the last page of this contract, whichever is the greater. Where higher wages are paid for specialized tasks, such as the operation of vehicles or machinery, Mexican workers shall be paid such wages while assigned to such tasks.

That is an excerpt taken from the contract existing between the Mexican Government and the American Government and to be made applicable to individual Mexican employees.

Mr. HUMPHREY. Does that apply to every single contract that may be entered into?

Mr. ELLENDER. Yes.

Mr. HUMPHREY. It is enforceable by the United States Department of Labor?

Mr. ELLENDER. Yes.

Mr. HUMPHREY. In the present situation?

Mr. ELLENDER. Yes. It can be modified if both Governments agree to it, but I am satisfied that the Mexican Government will insist on writing into the new contract the same provisions that were contained in the former contract. I want to say to the Senator that during the hearings in Mexico City we went over parts of the proposed contract, and they insisted on putting into the new contract the same clause.

Mr. HUMPHREY. The Senator from Minnesota is likewise insistent, since there is an opportunity for a quick exit from the agreement, since there is an opportunity for modification, that in this proposed legislation, which will soon become law, we write the requirement of prevailing wages for the crop and in the area or the place involved, because it is perfectly obvious that this is not at the present time stamped, sealed, and delivered; it is still in the stage of negotiation. There is still an opportunity for some modification or change.

Mr. ELLENDER. The Senator realizes that if in the future the terms of the contract on this point are modified by agreement between the two countries, we shall have to change the law. I am insisting that we not incorporate the provisions of the contract into the law. Let the contract be handled in the same manner as it has been handled in the past.

Mr. HUMPHREY. I know the Senator from Louisiana must feel that I am being a little bit stubborn on these issues, and I think I owe him an explanation. If there has ever been one area of American employment which has been subjected to a complete exposé in the past year or two, it has been in the field of domestic and foreign labor in American agriculture. I have read in Look mazazine an exposé that should make every American ashamed.

Mr. ELLENDER. That was on the wetback problem, was it not?

Mr. HUMPHREY. Yes. I have read in the New York Times and in newspapers on the West Coast articles which have exposed things that have been going on in the San Joaquin Valley. The President's Commission on Migratory Labor has given us a great deal of information. The Senator from Minnesota has put up this little effort today for a reason. I digress to say that it does not primarily affect my own State. Everyone knows that the bulk of the migratory labor does not go to the family-size farm. It does not go to Grandpa and Grandma who are raising a few cattle and chickens, and trying to make a living on a small farm. Migratory labor goes to the big fruit and vegetable farms, the big commercial farms, which are a repudiation of the family-size farms. They go to commercial farming areas in the Imperial Valley in California, and in other places.

So, Mr. President, I am a little bit suspicious. I cannot believe that it is all so lovely when I know that the migratory workers who come into our country, and also our own migratory workers, will have the most miserable working conditions. They live under the worst conditions. Without reference to my home State, in which there is a very decent standard of living and where we take good care of persons who work on the farms, and in the factories, the junior Senator from Minnesota just happens to feel that after all the exposé that has been made about traffic in human misery, I owe it to my conscience and to the Congress to try to put up a little struggle to make this bill a better one. When I see the words "prevailing wages in a particular crop and a particular area," I say to myself, "What can be wrong about that? If it is in the contract, let us put it into the law, because it is already patently clear that it may not be in the contract." There are some very shrewd operators in this country when it comes to making a quick and fancy dollar off someone's labor. The junior Senator from Minnesota wants to make sure that the operators who have never been an honor to American agriculture, but are exploiters of the soil and exploiters of humanity, will not be given a chance to exploit with congressional sanction. I am suspicious of those people; I make no bones about that. I think their record up to this time condemns them as having trafficked in human misery.

Mr. President, I want to pay my compliments to the Senator from New Mexico [Mr. CHAVEZ] who made a brilliant fight on the floor with reference to the whole problem. He went further than I have gone. I say the bill is an improvement over what we had, and for that reason I commend the chairman of the committee. But when there has been a record of trafficking in humankind, when there has been a record as bad as that which we have had in terms of migratory labor, the Congress cannot be too careful.

I have other amendments. I shall not call them up, because I recognize the fact that many of them will not be agreed to, and I do not want to engage in a fruitless search for an extra vote just to have another chance to make another 10- or 15-minute talk on an amendment. But, as the chairman of the Subcommittee on Labor Management and Relationships—and the Committee on Agriculture and Forestry had a perfect right to go into it, so far as it applied to Mexican workers—I know the migratory labor supply needs to be checked thoroughly, not only in terms of the law, but in terms of conscience, in terms of fair play for fellow Americans.

So, Mr. President, I relieve the tension of my friends and associates by saying that I shall not bring up any more amendments. I have several more at hand. I merely want to say that they were discussed in my minority views. I think they make sense. I hope the Secretary of Labor will administer the law on the basis of some examination of the need; and I commend the reading of the minority views to the Senators who are going to cast their vote on this important bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. Will the Senator be agreeable to inserting in place of the word "area" the words "at the time and place where the work is to be performed"?

Mr. HUMPHREY. Yes; I accept that modification. I wish to thank the Senator from Florida. I think it is very appropriate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota, as modified.

Mr. ELLENDER. Mr. President, may the amendment as modified be stated?

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The CHIEF CLERK. On page 2, line 6, it is proposed to strike out the semicolon, and add the following: "to be employed at a wage no less than the current prevailing rate for the crop at the time and place where the work is to be performed."

Mr. HUMPHREY. Mr. President, I want to thank the Senator from Florida, who has been a great help in making this a better bill.

Mr. HOLLAND. I appreciate the words of the Senator. So far as Florida is concerned, there is not a single Mexican laborer, so far as he knows, that comes there. But we want the bill to be a sound one.

Mr. HUMPHREY. With the legal talent and the fine spirit of justice and fair play possessed by the Senator from Florida and my friend the Senator from New Mexico, and the Senator from Illinois, who have worked to make this bill a better bill, along with the firm but temperate judgment and resistance, at times, of the Senator from Louisiana, who has had the responsibility for the bill, and with my pushing and shoving, I think we have done fairly well, and I want to thank my friends.

Mr. WHERRY. Mr. President, after that eulogy, may the clerk again read the amendment?

Mr. HUMPHREY. Mr. President, I meant to commend the Senator from Nebraska, too; I really did.

Mr. WHERRY. I thank the Senator.

The PRESIDING OFFICER. Everyone has now been commending. Does the Senator from Minnesota yield time to the Senator from Nebraska?

Mr. WHERRY. Mr. President, I merely ask that the amendment be read again.

The PRESIDING OFFICER. The clerk will again state the amendment, as modified.

The LEGISLATIVE CLERK. On page 2, line 6, it is proposed to strike the semicolon and add the following: "to be employed at a wage no less than the current prevailing wage rate for the crop at the time and place where the work is to be performed."

Mr. ELLENDER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ELLENDER. I should like to take at this time 1 minute of the time allotted to me on the bill itself. I am entitled to do that.

Mr. HUMPHREY. Mr. President, are we to vote on the amendment?

Mr. ELLENDER. Yes. First I desire to say, on behalf of the committe, that I shall oppose the amendment as modified. As I tried to indicate a moment ago, the contracts entered into between employers in our country and employees from Mexico requires that the prevailing wage shall be paid as a minimum. Furthermore, it often happens that in most cases the actual wage is fixed in the contracts themselves. When it comes to an interpretation of a contract in order to determine how much liability exists as between an employer and a worker, all that is necessary is to consult the contract. It is not necessary to go into questions which must be determined by public hearings.

Mr. President, I ask the Senate to reject the amendment for the further reason that if in the future it should be necessary in any way to modify the present contract, particularly with reference to wages, it would be necessary to amend the law itself so as to permit future agreements to be entered into between our Government and the Government of Mexico. I plead with Senators not to attempt to write parts of the individual work contract into law.

Mr. WHERRY. Is there any more time remaining?

The PRESIDING OFFICER. All time for debate has expired.

Mr. WHERRY. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield.

Mr. WHERRY. In the past, the provisions of contracts have been followed.

Mr. ELLENDER. Yes. In other words, the manner of obtaining Mexican labor was by contract, the terms of which are agreed upon by our Government and the Mexican Government. All the terms and conditions were written into the contracts.

Mr. WHERRY. The advice of the Secretary of Labor was obtained in the writing of the contracts, was it not?

Mr. ELLENDER. Yes, but the reason for the offering of the amendment of my friend from Minnesota is an effort to protect our domestic labor.

Mr. WHERRY. I am in favor of that.

Mr. ELLENDER. But I say that we have already done so under section 503.

Mr. WHERRY. If section 503 does it, why is it necessary to adopt the pending amendment?

Mr. ELLENDER. It is not necessary to do so.

That is why I am asking the Senate not to adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota, as modified.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, before the bill is finally passed, as I assume it will be, on behalf of the junior Senator from New York [Mr. LEHMAN] I should like to ask unanimous consent to have printed in the RECORD at this point the text of an amendment which he had intended to offer if he had been present, as well as a statement which he had prepared pertaining to the proposed amendment.

There being no objection, the amendment intended to be proposed by the Senator from New York and an explanatory statement were ordered to be printed in the RECORD, as follows:

AMENDMENT INTENDED TO BE PROPOSED BY MR. LEHMAN TO THE BILL (S. 984) TO AMEND THE AGRICULTURAL ACT OF 1949

On page 2, after the comma in line 2, insert the words "or from Puerto Rico or Hawaii."

On page 3, lines 22 and 23, strike out the words "in amounts not to exceed $20 per worker."

On page 4, line 24, after the word "Mexico", insert the words "in the case of workers from Mexico."

STATEMENT BY SENATOR LEHMAN ON HIS AMENDMENT TO EXTEND THE FARM LABOR BILL TO COVER AGRICULTURAL WORKERS FROM PUERTO RICO AND HAWAII

The amendment which I had intended to propose had I been present in the Senate when amendments to the Farm Labor bill were being considered is designed to make sure that the many thousands of agricultural workers who are recruited and brought from Puerto Rico and Hawaii to work in the fields of the continental United States in seasonal agricultural work receive the same protection as that provided by the bill in the case of workers recruited in and brought from the Republic of Mexico. This is necessary in order to protect the wages and living standards of these workers. It is also essential to protect the wages and living conditions of local workers and to prevent unfair competitive disadvantages against the employers of such local workers.

What are the effects of my amendment? The first is that a field of useful employment will be opened up to the very large numbers of unemployed, particularly in Puerto Rico. As I pointed out in my statement to the Senate on April 27:

"There is great unemployment in Puerto Rico. There are great numbers of people on that island, which is part of the United States, who are qualified as expert farm laborers. The Federal Government contributes heavily in relief money and other Federal grants-in-aid to assist Puerto Rico to take care of these unemployed farm workers. It would seem to be the height of sound fiscal practice, as well as sound social practice, to bring Puerto Rican workers here to supply the need rather than to bring workers in from Mexico. I mean, of course, no reflection on Mexico or on the necessity of maintaining the closest of neighborly relations with that country. This, however, is not a problem in foreign relations, but a problem in agriculture and in labor conditions in our own country, including Puerto Rico."

If my amendment is agreed to, agricultural workers from Puerto Rico and Hawaii will have the benefit of the reception centers to

be established within the continental United States where they could be housed while arrangements are being made for their employment in the continental United States. Costs of transportation for these workers to these reception centers and from the centers back to their homes upon the termination of their employment would be paid by the Government, with the employer reimbursing the Government for part of such cost. Subsistence, emergency medical care and burial expense, during the period of time when they are being transported to reception centers and while at the centers would also be provided.

Of particular importance, in my opinion, is the provision under which these workers would receive assistance in negotiation for contracts for agricultural employment. They would not have to rely as they frequently do at the present time, on their own individual bargaining, but would have the assistance of the appropriate governmental agencies, just as would Mexican workers under the provisions of the bill. The Government would be required to guarantee that Puerto Rican and Hawaiian workers receive the wages and transportation to which they are entitled under their contracts of employment.

There is need for this amendment, it seems to me, because the conditions of employment of these workers in agricultural employment in the United States are in most respects similar to those under which Mexican workers are employed under the provisions of the bill. In fact, there is special need to make sure that these workers are protected since they, unlike the Mexican workers, are citizens of the United States and consideration of their welfare should come first.

I should like to point out that the effect of my amendment is limited to agricultural workers recruited from Puerto Rico and the Virgin Islands. The Senator from New Mexico [Mr. CHAVEZ] has an amendment which would extend this bill to farm workers in the continental United States as well. While I agree with the Senator from New Mexico in the objective he seeks to accomplish—namely, to assure decent working conditions to all our migratory farm workers, domestic as well as foreign—my own amendment has a more modest purpose. Whatever one may think our policy should be when it comes to legislating fair labor standards for farm workers—and I believe that sooner or later we will have to come to grips with this problem, just as we have in the case of workers employed in our interstate industries and commerce—few can deny, I believe, that workers who come from Puerto Rico and Hawaii to work in our fields and help us harvest our crops, should have the same protection that would be extended by this bill to Mexican workers who are brought into the United States for the same purpose.

The amendment is of particular interest to employers of agricultural labor in the State which I represent, and in other sections of the East and far West. In my opinion, it is a very necessary one, and I strongly urge the Senate to agree to its adoption.

Mr. DOUGLAS. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I also ask unanimous consent to have printed in the body of the RECORD a group of letters addressed to him and one letter addressed to the Senator from New York [Mr. LEHMAN], as well as one article from the Albuquerque Journal of May 3, relating to the debate on Senate bill 984.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

NEW MEXICO STATE FEDERATION OF LABOR,
Santa Fe, N. Mex., May 5, 1951.

Hon. DENNIS CHAVEZ,
Senator from New Mexico,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Enclosed is a copy of letters sent to New Mexico Representatives DEMPSEY and FERNANDEZ.

You have our wires stating our thinking and position on Senate bill 984. Would you please give study to this letter as it gives more detail of our thinking in this matter.

We will appreciate your assistance and passage of favorable amendments to Senate bill 984 and House bill 3283, the Poage bill, which will secure employment for American citizens before the importation of aliens is resorted to.

Sincerely yours,

W. S. ROBERTS,
Secretary-Treasurer, New Mexico State Federation of Labor.

MAY 5, 1951.

Hon. JOHN J. DEMPSEY,
House of Representatives,
Washington, D. C.

DEAR SIR: The affiliate members of the New Mexico State Federation of Labor, A. F. of L., are opposed to Senate bill No. 984, introduced by Senator ELLENDER, of Louisiana, and H. R. No. 3283, the Poage bill, in their original form.

Our information is that amendments have been made to these bills to permit employment of American citizens instead of Mexican nationals on farm jobs at fair wages and conditions of employment.

We would appreciate your study, consideration, and vote in favor of the amendments which will call for exhausting the supply of labor we have in our country at fair wages and conditions of employment before any importation of labor from outside the continental limits is called for.

Our investigation in the States of New Mexico and Texas reveals that there is a large supply of farm labor available if the above-mentioned conditions are met. Also our investigation shows that these people imported are exploited by the imposition of low wages, high cost of commissary supplies, poor housing conditions, and limitations of work. And further, many of these people leave the farms illegally and infiltrate into other crafts, trade, and industries throughout the United States, which is injurious to the welfare of the laboring people in the United States of America.

We suggest that a complete survey be made in all the urban and rural districts in all States, and laboring people in these districts be contacted through sources available and a program be submitted to them by the farmers calling for fair wages and conditions of employment in the agricultural industry and provisions be made to make these workers mobile for transfer from district to district, State to State when needed.

The immobile seasonable farm worker has become a blight on the State, county, and cities in the Southwest—living in squalor and deplorable conditions injurious to the health, moral, and general welfare of our communities.

This worker is the forgotten citizen. Importation of aliens is not the solution to the problem. This is a notice to other countries that in our own country there are not sufficient people who will degrade themselves to work for such wages and under such conditions of employment. However, our Government believes or knows that our neighbors to the south will be glad to accept substandard wages and our farmers are glad to offer these conditions. And our Government is a party to this exploitation.

It is evident with farm prices set, a better standard of wages can be absorbed into farm production cost, the same as in any other enterprise, and thus remedy this situation.

The New Mexico Employment Security Commission reports employment on the increase. However, thousands of workers are registered for employment for suitable work in this State and millions of others throughout the United States of America.

Thanking you for any assistance given in this matter, I am,

Sincerely yours,

W. S. ROBERTS,
Secretary-Treasurer, New Mexico State Federation of Labor.

LOVING, N. MEX., *April 10, 1951.*

Hon. DENNIS CHAVEZ,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CHAVEZ: Herewith you will find enclosed several clippings of statements made by the Honorable President of our land, Mr. Truman.

Senator, just a few words to urge that you oppose the importation of farm laborers, for the reason that they come and work for lower wages and, furthermore, are a constant threat to the natives. The worst part of it is that the farmers treat them like the lowest possible type of people.

I have read many contracts signed by some of these workers wherein they are promised all kinds of facilities, all of which are false. There have been cases where they have been given water from the Pecos River which you know is very salty. And the most they have slept in on wintry days is the harvesting sacks which is all they possess. Also, among the immigration agents there are many who are cruel to these poor people.

Well, Senator, if you want the names of those farmers, I will be happy to send them at the moment you so request. And this is the time to do something to correct this situation, for it is now rumored here in the Pecos Valley that they are again seeking foreign workers because they are willing to work for less money. This was told to me on the 9th of April by a planter.

Awaiting your reply, I am,

Sincerely yours,

MARCELINO HERNANDEZ.

ALBUQUERQUE, N. MEX.,
April 28, 1951.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.

DEAR SENATOR CHAVEZ: Allow me to congratulate you on your vigorous opposition to the importation of temporary farm laborers from Mexico.

It is impossible to improve the lot of the large segment of Spanish-speaking Americans who make their livelihood from farm labor as long as these temporary workers are allowed to be exploited.

I have seen the viciousness of such a practice in New Mexico and Texas. It takes its worst form in the cotton fields. The contracts spoken about are absolutely meaningless. The employers and their supervisors cheat these illiterate people at the scales and at the pay table. In the case of the large farms you speak of, charge accounts for food are padded and exorbitant prices charged for food.

I will be ready to give of my time and effort when you come up for reelection in 1952.

Sincerely yours,

VICENTE T. XIMENES, *Economist.*

AMERICAN FEDERATION OF THE PHYSICALLY HANDICAPPED, INC.,
Washington, D. C., May 5, 1951.

Hon. DENNIS CHAVEZ,
United States Senate,
Washington, D. C.

DEAR SENATOR CHAVEZ: Any citizen, deeply concerned with the necessity of seeing to it that our own citizens are given first opportunity for employment prior to bringing in nationals of other countries, could do no other than approve and applaud your battle on the wetback issue.

I congratulate you with all my heart and hope you win.

Sincerely,

PAUL A. STRACHAN, *President.*

EASTERN SUFFOLK COOPERATIVE, INC.,
Greenport, N. Y., April 19, 1951.

Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR LEHMAN: On April 9, in response to a recent inquiry I made of Commander Edelstein pertaining to farm labor, he wrote giving me the present status of certain farm-labor measures now before the Congress, also enclosing copies of the Chavez-Yorty and Ellender-Poage bills and copy of your letter dated March 15 to Senator CHAVEZ.

Today we had a meeting of our board of directors at which time we carefully considered the Chavez and Ellender bills and other data which Commander Edelstein so considerately sent along. Without exception or dissention, we fully subscribe to all of your recommendations set forth in your letter of March 15 to Senator CHAVEZ. We strongly favor the Chavez bill and just as strongly oppose the Ellender bill. It appears, even on the first reading, that Senator CHAVEZ thoroughly understands the subject matter not only from the employers' angle but also from the employees'—equal protection is afforded to all concerned.

During World War II we established two camps. In one we housed migrant labor from the South and in the other, Jamaicans and other West Indian British subjects. One year, in this camp, we housed Mexicans. Since the war we have continued to house southern migrants in the one camp and DP's or Puerto Ricans in the other camp. At all times we have satisfactorily met all Federal, State, and local regulations pertinent to migrant or foreign workers. I might add that the records will show that the Eastern Suffolk Cooperative enjoys the finest reputation of any similar organization in the State of New York.

Speaking from experience, the Chavez bill incorporates all of the provisions and regulations to which we were subject during World War II, to which we are accustomed and in which we find no hardship or objection. We have always paid our migrant and foreign workers the prevailing wage rates established in our community and will continue to do so in the future.

On behalf of the entire membership of the Eastern Suffolk Cooperative, I urge you, in no uncertain terms, to do everything in your power to insure the passage of the Chavez bill and the defeat of the Ellender bill.

I thank you for your kind and considerate cooperation and assistance.

Yours very sincerely,

JOHN LASPIA,
Member, Board of Directors.

[From the Albuquerque Journal of May 3, 1951]

IN THE CAPITAL

(By Mel Mencher)

FOREIGN MIGRATORY LABOR BAN PLAN INTERESTS STATE

SANTA FE, May 2.—The report of the President's Commission on Migratory Labor, which recommended a ban on the use of foreign labor until all American agricultural resources are tapped, has brought several outspoken responses from New Mexico sources, who are watching with keen interest the final form of a bill now being considered by Congress. It probably will be broader than the Commission recommended.

The cotton-growing areas in the State have attacked the Commission proposal as impractical and unrealistic. But union officials and the Catholic Church in this area have applauded the findings.

The Commission found that about 1,000,000 persons make up the migratory farm labor force in this country. Of this number, some 400,000 are Mexican nationals who have entered this country illegally to obtain farm work. Usually called wetbacks because many of them swim or wade through the Rio Grande to reach the United States, this large labor battalion was the source of the Commission's major objections.

The Commission concluded that these laborers are depressing the wage scale of American workers who are without jobs or forced to take low-paying work in order to meet the competition of the wetbacks. One Commission member, Archbishop Robert Lucey, of San Antonio, said an immediate decision is necessary since agricultural work is shot through with unemployment.

But officials in Eddy and Chaves Counties don't agree. They feel the cotton crops in New Mexico will rot on the ground unless the gates are opened to Mexican labor. The chairman of the Chaves County Farm Bureau's labor committee, E. K. Patterson, said:

"I don't know what we will do if we don't get Mexican workers into Chaves County. There aren't enough machines, and local and migrant labor is entirely inadequate."

Agreeing with this stand was the Eddy County farm agent, Dallas Rierson, who said that farmers in his area would be up against it unless the Mexican nationals are permitted to work in the region.

The problem of foreign labor is fairly recent. Until the war years changed manpower conditions in the country, migratory farm workers from the Midwest were used to harvest crops in areas that had seasonal work. But with the coming of the draft and higher wages in war industries, workers left the migratory labor force. To fill in this vacuum, southwestern farmers began importing Mexican nationals who in turn were pushed into migratory work by economic conditions in Mexico.

This tide started northward in 1942 and 1943. Nothing much was done to halt the wholesale illegal entry of Mexican nationals. This use of Mexican national labor continued during the war. At the war's end, when most people expected it to stop as workers returned to their prewar jobs, the wetback tide still continued.

New Mexico got its share, and it is still getting it. The late Federal district judge in New Mexico, Colin Neblett, described the early tide as a "bad situation." He said the 60 to 90 wetbacks he had in court every month probably represented only 10 percent of the number that actually crossed into the State. Neblett said the farmers told him that "they'll lose their crops unless they can hire these men."

Neblett's successor, Judge Carl Hatch, has inherited what he described recently as a "pitiful situation."

"The men need the work and the farmers claim they need the men," he said. He described the problem as "peculiar and difficult," and added that there "doesn't seem to be any progress in changing the situation."

For some reason, and Hatch said he had no idea of the cause, there have been far less wetbacks in his court so far this year as compared with similar periods in 1950. In March of this year arrests totaled 26. A year ago in March 81 were arrested and sentenced to the usual 30 days at the Federal prison farm near El Paso.

Abe Jones, the assistant State labor commissioner, has some criticisms of the use of wetbacks. He says that the State labor office is never consulted about the need for farm workers. Requests are made only to the Federal Employment Commission. This takes the problem out of the State's hands, and it also does not allow the State to exercise any control over hiring and working conditions.

He has in his files several complaints relayed to the State office from the Mexican consul that Mexican workers were arrested in this State and shipped back to Mexico before they were paid for their work. Jones says his office cannot do anything about collecting.

The President's Commission also found that in October some 150,000 children under 15 were engaged in migratory work. School population figures for this State in that month are considerably under the attendance totals for January and February, despite the existence in New Mexico of compulsory school laws.

Mr. DOUGLAS. Mr. President, I should like to congratulate the Senator from Louisiana [Mr. ELLENDER] for the very able way in which has has steered the bill and for the gracious manner in which he has accepted amendments. If he were of a different disposition, he might have resented some of the amendments which were offered. He has received them in a very gracious spirit. I believe the result is largely due to his fine work, and I wish to express my appreciation of it.

Mr. HUMPHREY. Mr. President, I associate myself with the remarks of the Senator from Illinois, because he has expressed exactly what I feel with reference to the chairman of the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is on the final passage of the bill.

Mr. WHERRY. Mr. President, I believe I am in control of the time in opposition to the bill.

The PRESIDING OFFICER. That is correct.

Mr. LANGER. Mr. President, will the Senator from Nebraska yield me 10 minutes?

Mr. WHERRY. I yield 10 minutes to the Senator from North Dakota.

Mr. LANGER. Mr. President, a few moments ago the distinguished junior Senator from Minnesota said that he desired every Senator to read the minority views on the bill. I ask every farmer in the Northwest to read the minority views. Therefore, Mr. President, I ask unanimous consent that the minority views be printed in full in the RECORD at this point in my remarks.

There being no objection, the minority views to accompany Senate bill 984 were

ordered to be printed in the RECORD, as follows:

MINORITY VIEWS TO ACCOMPANY S. 984
(S. REPT. No. 214)

This bill, S. 984, was favorably reported by the committee, after hearings, but before the issuance of the report of the President's Commission on Migratory Labor on April 7, 1951.

The President's Commission was created in June 1950 to inquire, among other matters, into—

(a) social, economic, health, and educational conditions among migratory workers, both alien and domestic, in the United States;

(b) problems created by the migration of workers, for temporary employment, into the United States, pursuant to the immigration laws or otherwise;

(c) whether sufficient numbers of local and migratory workers can be obtained from domestic sources to meet agricultural labor needs and, if not, the extent to which the temporary employment of foreign workers may be required to supplement the domestic labor supply.

The Commission held 12 public hearings in Brownsville, Tex.; El Paso, Tex.; Phoenix, Ariz.; Los Angeles, Calif.; Portland, Oreg.; Fort Collins, Colo.; Memphis, Tenn.; Saginaw, Mich.; Trenton, N. J.; West Palm Beach, Fla.; and two in Washington, D. C. The hearings comprised 26 volumes available to the public. The published report of the Commission comes to 188 pages.

The findings of the Commission bear directly upon the legislation under consideration.

There is no doubt but that it would be far preferable had the members of the committee and the Senate had opportunity to study the report of the Commission before voting and considering this bill.

The reason given for proceeding on this bill at this time is the urgency to enact legislation to enable importation of Mexican agricultural workers beyond June 31, 1951.

The minority, after considering this bill in the light of the Commission's report, believes that the problem of migratory labor is an interrelated one, and affects workers within the United States and in other countries as well. It should be studied in its broad ramifications and comprehensively rather than by piecemeal legislation such as this. The Committee on Labor and Public Welfare through its Subcommittee on Labor and Labor-Management Relations, and in accordance with the Legislative Reorganization Act, has now begun such a study with a view to legislation. The interests of the United States and of American workers would be best protected were the Congress to approach the problem of migratory labor in such a perspective. We would far prefer, therefore, to have this bill delayed until the Congress is prepared to consider and enact comprehensive manpower legislation.

Within the limits of S. 984 and its limited objectives, the minority, in the light of the Commission report, has certain modifications and amendments to present which are presented here in topical form.

The fundamental legislative assumption behind this bill is that an agricultural labor shortage exists which requires the immediate importation of foreign labor for its relief. The majority in describing the background of the legislation under consideration observes that—

"Throughout World War II and since the termination of hostilities, it has been necessary to import agricultural workers from foreign countries in order to assist in the production of adequate supplies of food and fiber for domestic consumption in the United States and for export."

The report of the President's Commission bears this out, but the startling finding of the Commission in this matter is: "From 1945 through 1948, we employed a continuously larger hired labor force even though our work requirement (total man-hours) was gradually declining. In other words, we have been using more workers to achieve the same or slightly less work, and have thereby been reducing the work contribution per worker. This fact is strikingly reflected in the amount of employment received per hired farm worker:

	"Days of farm work per farm worker
"1946	113
1947	106
1948	104
1949	90"

The Commission comments, "The migratory worker gets so little work that for him employment is only incidental to unemployment."

It is the view of the President's Commission that the human resource in agriculture is used extravagantly. However, the Commission recognizes that more efficient utilization of agricultural labor will take time, that it cannot be expected to occur in a few weeks or months. Accordingly, it makes divergent recommendations with respect to the importation of foreign workers, one recommendation for the short-run and one recommendation for the long-run. For 1951, it recommends that "No special measures be adopted to increase the number of alien contract laborers beyond the number admitted in 1950." For the long-run it recommends that "Future efforts be directed toward supplying agricultural labor needs with our own workers and eliminating dependence on foreign labor."

The finding of the President's Commission with respect to the underutilization of agricultural manpower corroborates the research of the staff of the Joint Committee on the Economic Report which published its findings in a joint committee print, Underemployment of Rural Families, February 2, 1951. The staff of the Joint Committee on the Economic Report was concerned with farm workers as a whole rather than primarily migrant workers. Through analysis of five groups of low-income farm workers it reached the conclusion:

"If the workers in these five groups of rural families could be employed at jobs where they would produce as much as the average worker on the medium-sized commercial family farm or the average rural nonfarm worker, the production and output of rural people would be increased 20 to 25 percent. This is the equivalent of adding 2,500,000 workers to the total labor force."

If there is any justification to the bill, therefore, it is to meet an immediate, temporary need. Considered in the restricted terms in which its sponsor put forward the bill, certain further changes may be made in S. 984 to incorporate certain of the findings of the President's Commission. It is believed that proposed changes might usefully be considered against four broad criteria:

(1) That the Mexican importation program be carried out in such a manner as to minimize detriment to American workers.

(2) That devises be strengthened for assuring that both parties to the individual work contract—employer and employee—will live up to their agreements.

(3) That more effective measures be taken to meet the wetback problem.

(4) That the cost to the public of the Mexican importation program be kept to a minimum.

With respect to the first proposition, certain further changes in S. 984 suggest themselves. Section 503 of the committee bill provides that foreign workers may be made available where the Director of State Employment Security for the area of use has determined and certified that willing, able, and qualified domestic workers are not available for employment at the time and place needed.

In substituting the director of State employment for the United States Secretary of Labor, S. 984 makes an abrupt departure from past immigration policy. Under section 3 of the 1917 immigration law contract laborers are not admissible to the United States except under discretionary powers granted the Commissioner General of Immigration with the approval of the Secretary of Labor. In our view, it would be a step backward to change this and to call for certification by the State director of employment. In our American economy we have a national market. This is true of labor in the same way it is true of automobiles and radios. To propose State determination labor shortage is the same as to propose State autonomy in tariff matters. A labor shortage must be determined from a national perspective.

In order that all interested groups may have the opportunity of effectively expressing their views as to the need for foreign workers, it is proposed that the Secretary of Labor hold public hearings in areas of alleged labor shortage. In this way he may receive the advice of all interested parties.

Inasmuch as a labor supply is necessarily determined in terms of the attractiveness or unattractiveness of the employment offer, it is clearly impossible to know whether or not a shortage of domestic workers exists until domestic workers have been offered the terms and conditions of employment extended to foreign workers. It might at first be thought that domestic workers customarily were offered terms and conditions of employment comparable to those offered foreign and offshore workers. The findings of the President's Commission in this matter is quite the opposite. The Commission observes: "* * * employers, as a rule, refuse to extend to * * * [domestic migratory workers] the guaranties they give to alien workers whom they import under contract. These include guaranties of employment, workmen's compensation, medical care, standards of sanitation, and payment of the cost of transportation."

We believe further protection should be given domestic workers under the Mexican importation program by adding the requirement, before certifying the need for foreign workers, that reasonable efforts will have been made to secure American workers for the employment. This further emphasizes the important role of the Farm Placement Service of the United States Employment Service in assisting workers to find employment.

S. 984 exempts workers brought in under its provisions from the Federal old-age and survivors insurance provisions of the Social Security Act.

The bill amends the Internal Revenue Code so as to exclude the service performed by such workers from the contribution provisions of the law as well as from the benefit provisions of the insurance program under the Social Security Act. Both the employer and the employee are exempted from the social-security tax.

Under the amendments to the Social Security Act, enacted by the Congress in 1950, a limited group of "regularly employed" agricultural workers were brought in under the insurance provisions effective January 1, 1951. In order for an agricultural worker and his employer to become subject to the insurance contributions, an individual must work for one employer for at least 60 days each out of two consecutive quarters, before any of his agricultural work becomes subject to the contribution provisions of the insurance program. In most cases, it will be necessary for an individual to work 6 to 8 months for one agricultural employer before any of his agricultural work will be subject to contribu-

tions under the insurance program. Due to the relatively short period of time that Mexican contract workers work for a single employer, very few of them will meet the stringent requirements of the new law and consequently very few of them and their employers will be subject to the social-security contributions. It is estimated that not more than 3,000 to 5,000 Mexican workers would become subject to the social-security provisions under the terms of the proposed program and, of course, if all of the Mexican agricultural labor brought into this country return to Mexico within about 5 or 6 months, there would be none of the Mexican nationals who would become subject to the contribution provisions of the insurance program.

But it is still true that the exclusion of Mexican workers from the insurance program could result in the hiring of such workers in preference to American workers since their employers would have the competitive advantage of not paying social-security contributions and it appears to be undesirable to give employers, as a matter of general congressional policy, a financial incentive to hiring foreign labor as against hiring domestic labor.

The major issue, therefore, that is raised by the provision exempting Mexican nationals from the social-security provisions of the law is a matter of fundamental principle and national policy. Since its enactment in 1935, the insurance program under the Social Security Act has covered individuals in specific types of jobs in the United States without regard to the nationality of the individual. It should be noted that social-insurance systems in a number of foreign countries, including Mexico, do not discriminate against American nationals performing services in covered employment. Ths principle of nondiscrimination as between the United States nationals and the nations of other countries has been advocated and endorsed by the International Labor Organization, by numerous representatives of social-security institutions of various countries, and by the Inter-American Committee on Social Security. A change in this policy which would establish the principle of exclusion because of nationality may eventually result in more harm than good because of the possibility of criticism arising against the United States for discrimination in the application of its social laws. Such criticism would not be in the long-run interest of the United States in world affairs.

One of the reasons given for supporting the exemption in the proposed bill is that the employee should not be required to pay the payroll tax if he is not going to become eligible for any social-security benefits. This difficulty can be overcome by the employer paying the employee contribution as well as his own, without deducting the employee contribution from the employee's wages. This policy is permitted under the present law.

It should be pointed out that many Mexican nationals are already covered under the insurance program and will continue to be covered under the insurance program in the future. Mexican nationals who come to the United States for employment and work in jobs covered under the insurance system have been covered under the program since it first began in 1937. Many Mexican nationals employed in the manufacturing industry, canning, service trades, and domestic service are now contributing to the insurance system. The exemption of one group of Mexican workers while retaining coverage for other groups of Mexican workers would introduce undesirable discrimination. If the employment is rendered within the United States the present law provides for contributions being paid on such service and benefits being paid to Mexican nationals and their families even though they may be residing in Mexico. At the present time the Social Security Administration is making payments to Mexican nationals residing in Mexico based upon the employment contributions made for service under the law.

If, despite these various considerations, the Congress is of the opinion that some special arrangements should be made on behalf of Mexican nationals brought into the United States for short-term employment, it is suggested that consideration be given to the desirability of transferring the contributions made on behalf of the Mexican contract workers to the Mexican Social Insurance Institute. Such an arrangement would be consistent with a sound policy of international cooperation of nondiscrimination of nationals to other countries and eliminate any contention of giving an incentive to employment of foreign nationals to the detriment of domestic labor.

Before embarking upon a policy which may have far-reaching implications and adverse effects upon the insurance program and upon our foreign policy, it is recommended that the exemption provision in the bill be deleted pending the final determination of a long-run policy in keeping with the principles upon which our social-insurance program has been based in the past.

"Notwithstanding any other provision of law or regulation," S. 984 exempts employers of Mexican workers from posting bond to guarantee departure of these workers. It is understandable how the committee recommended this step. It received much testimony on the expense and the frequent unfairness to employers of the bond requirement. Employers testified before the committee that under the existing provision of the law they were required to post bond to guarantee departure of the worker, yet they did not have it within their power to hold the worker to employment. If the worker took it in mind to walk off some night, there was no way that they could stop him.

Important as this factor is in determining policy on this question, certain other considerations need to be taken into account. While it is true that the employer does not have the power to compel the worker to remain in his employment, the President's Commission found that there tended to be correlation over a period of years in the rate of desertions from employers. The Commission found that—

"Desertions from individual contracting employers range from as low as 4 percent to as high as 50 percent. Moreover, it is noted that there is a tendency for those employers having a high desertion rate in 1 year also to have a high desertion rate the next. We interpret this to mean that desertions from contract vary with individual management and working conditions. Where these are good, the desertions are low."

While such correlation could not be taken to explain each individual desertion, the evidence of continuing high desertion rates from some employers and continuing low desertion rates from other employers is so striking, that a relationship between desertion and working conditions would seem inescapable. Accordingly, we are of the view that while it is appropriate to recognize that no employer has it wholly within his power to guarantee contract workers remaining in employment, that he does, however, have a measure of control in this respect.

In discussion of the Mexican contract, it is useful briefly to note practice with respect to the bond requirement for other foreign workers and for Mexican workers in earlier years. On this point, the President's Commission observes:

"These bonds, for British West Indians, have been as high as $500 per head. For Mexicans, the bond is now $25 per head. For Bahamians, it is $50; for Jamaicans, $100. In 1950, the bond for Mexicans was set at $50, but under pressure from employers, the amount was reduced to $25."

If the bond provision for Mexican workers were altogether removed, the present inequity in the differing sizes of these bond requirements would be further heightened.

Before considering abandonment of the bond requirement, it is appropriate to examine the thinking which led to the enactment of the provision originally. The 1917 immigration law was concerned with protecting the standards and conditions of work for American workers from the competition of cheaper immigrant labor. It, therefore, flatly prohibited admission of contract labor, but to provide for unusual or emergency situations granted discretionary authority to the Commissioner General of Immigration with the approval of the Secretary of Labor for temporary admission of such labor. In order to regulate and control the temporary admission of otherwise inadmissible aliens, the act called for the exaction of bonds. Inasmuch as we are today still vitally concerned with the protection of the standards for American workers, we believe that when exception is made and emergency importation of contract labor permitted that it should be accompanied by regulatory and controlling devices. We are, therefore, convinced that it would be unwise to abandon this protection to American workers.

In order to assure effective and satisfactory contract operations, it is fundamental that both parties to a contract live up to the obligations assumed. One of the complaints of the Government of Mexico has been the unsatisfactoriness of measures taken in the past to assure that United States employers will live up to the terms of the individual work contract. Accordingly, it will be noted that S. 984 provides that the United States Government guarantee "performance by employers of provisions of such contracts relating to the payment of wages or the furnishing of transportation." We are of the view that this provision should be broadened to include other payments due under such contracts. Similarly, it is felt appropriate to ask the Government of Mexico to take such measures as it deems appropriate to assure that workers coming to the United States under this program, will honor their obligations under the contract.

In order to assure more satisfactory performance on the part of both parties to the individual work contracts, we believe that the grievance machinery should be materially strengthened. The President's Commission found that—

"The lack of an appropriate way of resolving employer-worker differences is one of the main reasons for a large proportion of Mexican nationals returning home before the completion of their contracts or simply deserting or skipping their contracts."

Existing conciliation machinery is not adequate. The President's Commission observes:

"Complaints alleging violation of the individual work contract may be initiated in three ways: Officially by the United States Employment Service or privately by either worker or employer. If an officially initiated complaint is not adjusted, the Mexican consulate is called in for a joint investigation. Complaints from workers may be received by the United States Employment Service or submitted through the appropriate Mexican consulate. Complaints by employers are received by the United States Employment Service. On all types of complaints the Mexican consulate may be called in for joint investigation and determination.

"As a matter of practice, we find that while employers may refer some complaints to the United States Employment Service, workers' complaint are ordinarily referred initially to the Mexican consulate. Let it be borne in mind that this conciliation procedure is

contained in the international agreement (in English, which the typical Mexican worker cannot read) but is incorporated only by reference in the individual work contract (where the Spanish-reading Mexican worker finds out in Spanish that there is a conciliation procedure available to him if he could read English)."

In 1950, the United States Employment Service had nine inspectors detailed to handle grievances under the Mexican program. This number has recently been increased to 15, but this still seems altogether inadequate. We again quote the report of the President's Commission:

"For the farm employer or association of farm employers, the conciliation provision may be somewhat more adequate than it is for the foreign workers with a language handicap in a strange land. To expect the Mexican contract worker to locate one of the nine United States Employment Service inspectors or to relay his complaint to them through the State employment service is to expect more than is within his capability. Consequently, if he can get in touch with the Mexican consulate, that is about the best he can do. This cumbersome and complicated procedure, involving several Government agencies in general and none in particular, encourages desertion in place of making a complaint because every complaint has the potentiality of being lost or ignored."

Accordingly, we recommended that the United States Employment Service expand its conciliation service.

We believe that S. 984 does not go far enough in meeting the serious social, economic, and security problem represented by the influx of hundreds of thousands of wetbacks over our southern border. The committee comments on "the great economic and social problems" which the wetbacks represent.

The concern of the committee with the wetback problem is fully shared by the President's Commission. The one difference between the two groups could be said to relate to the estimate concerning the magnitude of the recent "invasion," which the committee puts at 1,000,000. The President's Commission is more conservative in its estimate of the number of wetbacks. The Commission uses the figure of half a million.

The committee explicitly comments on the inadequacy of present measures to deal with the wetback problem. Its concern is reflected in the important amendment to section 501 of the bill prohibiting recruitment of wetbacks. Possibly through oversight, the comparable amendment to section 504 has not been made, so that as the bill currently stands it is inconsistent on this vital point. It is accordingly proposed that 504 be amended in the manner of 501. The term "vital" is used deliberately, for it is the view of the President's Commission that one of the most important factors in the recent acceleration of the wetback traffic is the legalization of illegals. It comments:

"The latest and probably worst stage in this erosion of immigration law was when, under the authority of the ninth proviso, Mexican wetbacks were legalized and placed under contract. The ninth proviso allows the temporary admission and return of otherwise inadmissible aliens—under rules and conditions. * * * In the contracting of wetbacks, we see the abandonment of the concept that the ninth proviso authority is limited to admission. A wetback is not admitted; he is already here, unlawfully. We have thus reached a point where we place a premium upon violation of the immigration law."

Prohibition of the legalization of workers illegally in the United States, while most important to the solution of the wetback problem, is not enough to meet the dimensions of the current "invasion." The President's Commission suggests other valuable steps which may be taken. It recommends that legislation be enacted making it unlawful to employ aliens illegally in the United States. It recommends that the Immigration and Naturalization Service be given clear statutory authority to enter places of employment to determine if illegal aliens are employed. We are of the view that these recommendations of the President's Commission are of utmost importance.

The fourth criterion which we proposed as guide to the measures to be included in a Mexican importation program is that the cost of the program to the public be kept to a minimum. We view as unrealistic the figure of $20 to cover the round-trip cost of transportation of workers between recruitment centers in Mexico and reception centers in the United States as well as their subsistence during this period. In this connection, it is pertinent to bear in mind that it would be highly unusual if workers were hired by United States employers directly upon their arrival at the reception centers. Therefore, subsistence needs to be considered not only during the period of travel but for the period that they spend at the reception center awaiting employment.

HUBERT H. HUMPHREY.

APPENDIX A. RECOMMENDATIONS OF THE PRESIDENT'S COMMISSION ON MIGRATORY LABOR

I. FEDERAL COMMITTEE ON MIGRATORY FARM LABOR

We recommend that—

(1) There be established a Federal Committee on Migratory Farm Labor, to be appointed by and responsible to the President.

(2) The committee be composed of three public members and one member from each of the following agencies: Department of Agriculture, Department of Labor, Department of State, Immigration and Naturalization Service, and Federal Security Agency.

(3) The public members be appointed by the President. One public member should serve full time as chairman and the other two on a part-time basis. The Government representatives should be appointed by the President on the nomination of the heads of the respective agencies. The committee should have authority, within the limits of its appropriation, to establish such advisory committees as it deems necessary.

(4) The Federal Committee on Migratory Farm Labor have the authority and responsibility, with adequate staff and funds to assist, coordinate, and stimulate the various agencies of the Government in their activities and policies relating to migratory farm labor, including such investigations and publications as will contribute to an understanding of migratory farm-labor problems, and to recommend to the President, from time to time, such changes in administration and legislation as may be required to facilitate improvements in the policies of the Government relating to migratory farm labor. The committee should undertake such specific responsibilities as are assigned to it in the recommendations set forth in this report and as may be assigned to it by the President.

In general, however, the committee should have no administrative or operating responsibilities; these should remain within the respective established agencies and departments.

(5) Similar agencies be established in the various States. The responsibilities and the activities of the Federal Committee on Migratory Farm Labor and those of the agencies established in the States should be complementary and not competitive. The State agencies should be encouraged to carry forward those programs in behalf of migratory farm workers which, by their nature, fall within the responsibility of individual States. The Federal Committee will have major concern with interstate, national, and international activities. But at all times there should be close consultation between the Federal and State agencies and a two-way flow of information, suggestions, and effective cooperation.

II. MIGRATORY FARM LABOR IN EMERGENCY

Our investigations of the present farm labor problem and our analysis of this country's experience during the years of World War II and since, point to certain conclusions which to us seem inescapable in the present emergency. We therefore recommend that—

(1) First reliance be placed on using our domestic labor force more effectively.

(2) No special measures be adopted to increase the number of alien contract laborers beyond the number admitted in 1950.

(3) To meet any supplemental needs for agricultural labor that may develop, preference be given to citizens of the offshore possessions of the United States, such as Hawaii and Puerto Rico.

(4) Future efforts be directed toward supplying agricultural labor needs with our own workers and eliminating dependence on foreign labor.

III. ALIEN CONTRACT LABOR IN AMERICAN AGRICULTURE

We recommend that—

(1) Foreign labor importation and contracting be under the terms of intergovernmental agreements which should clearly state the conditions and standards of employment under which the foreign workers are to be employed. These should be substantially the same for all countries. No employer, employer's representative or association of employers, or labor contractor should be permitted to contract directly with foreign workers for employment in the United States. This is not intended to preclude employer participation in the selection of qualified workers when all other requirements of legal importation are fulfilled.

(2) The United States-Mexican intergovernmental agreement be in terms that will promote immigration law enforcement. The Department of State should negotiate with the Government of Mexico such a workable international agreement as will assure its operation as the exclusive channel for the importation of Mexican nationals under contract, free from the competition of illegal migration.

(3) Administration of foreign labor recruiting, contracting, transporting, and agreements be made the direct responsibility of the Immigration and Naturalization Service. This should be the principal contracting agency, and private employers should secure their foreign workers exclusively from the Immigration and Naturalization Service.

(4) The Farm Placement Service of the United States Employment Service certify to the Immigration and Naturalization Service and to the Federal Committee on Migratory Farm Labor when and if labor requirements cannot be filled from domestic sources and the numbers of additional workers needed. On alien contract labor, the United States Employment Service and the various State employment services should be advised by the tripartite advisory council provided for in the Wagner-Peyser Act, or by tripartite subcommittees of the council. However, no certification of shortage of domestic labor should be made unless and until continental domestic labor has been offered the same terms and conditions of employment as are offered to foreign workers. After certifying the need for foreign workers, the United States Employment Service should have no administrative responsibilities in connection with any foreign labor program.

(5) In accordance with the policies of the Federal Committee on Migratory Farm La-

bor, the Immigration and Naturalization Service arrange, subject to the terms of the intergovernmental agreements then in force, for the importation of the number of qualified foreign agricultural workers certified as needed by the United States Employment Service, and transport them to appropriate reception and contracting centers in the United States.

(6) The Immigration and Naturalization Service deliver the imported workers to the farm employers who have submitted the necessary applications and bonds, and who have signed individual work agreements. Employment should be under the general supervision of the Immigration and Naturalization Service. An adequate procedure for investigating and resolving complaints and disputes originating from either party should be negotiated in the international agreements and should be incorporated in the standard work contracts. The Immigration and Naturalization Service should be authorized to terminate any contract of employment and remove the workers, and to refuse to furnish foreign workers to any employer or association of employers when there has been repeated or willful violation of previous agreements, or where there is reasonable doubt that the terms of the current agreement are being observed. The Immigration and Naturalization Service should, in the discharge of its obligations, receive such assistance from the United States Employment Service as it may request.

(7) Puerto Rico and Hawaii, as possessions of the United States, be recognized as part of the domestic labor supply, and workers from these Territories be accorded preference over foreign labor in such employment as they are willing and suited to fill.

(8) Where a government-to-government agreement provides for the payment of the prevailing wage to foreign contract workers, this wage be ascertained by public authority after a hearing. The policies, procedure, and responsibilities involved should be determined by the Federal Committee on migratory Farm Labor.

IV. THE WETBACK INVASION—ILLEGAL ALIEN LABOR IN AMERICAN AGRICULTURE

We recommend that—

(1) The Immigration and Naturalization Service be strengthened by (a) clear statutory authority to enter places of employment to determine if illegal aliens are employed, (b) clear statutory penalties for harboring, concealing, or transporting illegal aliens, and (c) increased appropriations for personnel and equipment.

(2) Legislation be enacted making it unlawful to employ aliens illegally in the United States, the sanctions to be (a) removal by the Immigration and Naturalization Service of all legally imported labor from any place of employment on which any illegal alien is found employed; (b) fine and imprisonment; (c) restraining orders and injunctions; and (d) prohibiting the shipment in interstate commerce of any product on which illegal alien labor has worked.

(3) Legalization for employment purposes of aliens illegally in the United States be discontinued and forbidden. This is not intended to interfere with handling of hardship cases as authorized by present immigration laws.

(4) The Department of State seek the active cooperation of the Government of Mexico in a program for eliminating the illegal migration of Mexican workers into the United States by (*a*) the strict enforcement of the Mexican emigration laws, (*b*) preventing the concentration, in areas close to the border, of surplus supplies of Mexican labor, and (*c*) refraining from attempt to obtain legalization for employment in the United States of Mexican workers illegally in this country.

V. HOW MIGRATORY WORKERS FIND EMPLOYMENT

We recommend that—

(1) Federation legislation be enacted to prohibit interstate recruitment of farm labor by crew leaders, labor contractors, employers, employers' agents, and other private recruiting agents except when such agents are licensed by the Department of Labor. The Federal Committee on Migratory Farm Labor should develop appropriate standards for regulating and licensing such private agents.

(2) States enact legislation and establish enforcement machinery to regulate and license labor contractors, crew leaders, and other private recruiting agents operating intrastate, such legislation to include private solicitors or recruiters operating on a fee or nonfee basis, either part time or year round. The standards of regulation should at least equal those established by the Federal Committee on Migratory Farm Labor. The recommendations of the Governor's Committee of California suggest the form and content of such State legislation.

(3) The United States Employment Service and the State employment services adopt a policy of refusing to refer workers to crew leaders, labor contractors, or private recruiting agents for employment.

(4) The United States Employment Service adopts regulations and administrative procedures to safeguard interstate recruiting and transporting of workers, by providing that—

(a) Terms of employment be reduced to writing, such written terms to contain a provision for the adjustment of grievances.

(b) Housing and transportation arrangements available to workers meet the minimum standards established by the Federal Committee on Migratory Farm Labor.

(c) State employment services shall not recruit farm workers outside their States or assist in bringing farm workers in from other States unless the United States Employment Service is assured that the State does not have the necessary labor available within its own borders.

(5) Neither the United States Employment Service nor State employment services join with employers, employers' associations, or other private recruiting agents in mass advertising for interstate recruitment.

(6) In order to achieve better utilization of the national domestic farm-labor supply, States having legislation restricting recruitment of workers for out-of-State employment (emigrant agent laws) undertake repeal of such legislation.

(7) The Federal Committee on Migratory Farm Labor establish transportation standards of safety and comfort (including in-transit rest camps). States should be guided by the transportation standards of the Federal Committee on Migratory Farm Labor as minimum conditions to govern intrastate transportation of migratory farm workers.

(8) The United States Employment Service and the State employment services be advised on farm-labor questions by the tripartite advisory councils as provided for in the Wagner-Peyser Act or by tripartite subcommittees of the councils.

VI. EMPLOYMENT MANAGEMENT AND LABOR RELATIONS

We recommend that—

(1) The Agricultural Extension Service, through its Federal office and in those States where migratory labor has significant proportions, make instruction in farm-labor management and labor relations available to farm employers and to farm employees. The Agricultural Extension Services should also make available advice and counsel for the organizing of farm-employer associations similar to those sponsored during World War II, which associations should have the purpose of pooling their joint labor needs to promote orderly recruiting, better employer-worker relations, and more continuous employment.

(2) The Labor-Management Relations Act of 1947 be amended to extend coverage to employees on farms having a specified minimum employment.

VII. EMPLOYMENT, WAGES, AND INCOMES

We recommend that—

(1) The Congress enact minimum-wage legislation to cover farm laborers, including migratory laborers.

(2) State legislatures give serious consideration to the protection of agricultural workers, including migratory farm workers, by minimum-wage legislation.

(3) Federal and State unemployment compensation legislation be enacted to cover agricultural labor.

(4) Because present unemployment compensation legislation is not adapted to meeting the unemployment problems of most migratory farm workers, the Federal Social Security Act be amended to provide matching grants to States for general assistance on the condition that no needy person be denied assistance because of lack of legal residence status.

VIII. HOUSING

We recommend that—

(1) The United States Employment Service not recruit and refer out-of-State agricultural workers and the Immigration and Naturalization Service not import foreign workers (pursuant to certifications of labor shortage) unless and until:

(a) The State in which the workers are to be employed has established minimum housing standards for such workers together with a centralized agency for administration and enforcement of such minimum standards on the basis of periodic inspections. These State housing standards, in their terms and in administration, should not be less than the Federal standards hereinafter provided.

(b) The employer or association of employers has been certified as having available housing, which at recent inspection has been found to comply with minimum standards for housing then in force in that State.

(2) Federal minimum standards covering all types of on-job housing for migratory workers moving in interstate or foreign commerce be established and promulgated by the Federal Committee on Migratory Farm Labor. These standards, administered through a State license system, should govern site, shelter, space, lighting, sanitation, cooking equipment, and other facilities relating to maintenance of health and decency.

(3) Any State employment service requesting aid of the United States Employment Service in procuring out-of-State workers submit, with such request, a statement that the housing being offered meets the Federal standards.

(4) The Agricultural Extension Service in those States using appreciable numbers of migratory workers undertake an educational program for growers concerning design, materials, and lay-out of housing for farm labor.

(5) The Department of Agriculture be empowered to extend grants-in-aid to States for labor camps in areas of large and sustained seasonal labor demand provided the States agree to construct and operate such camps under standards promulgated by the Federal Committee on Migratory Farm Labor. Since such projects are to be constructed and operated for the principal purpose of housing agricultural workers and their families, preference of occupancy should be given to those engaged in seasonal agricultural work. Costs should be defrayed by charges to occupants.

(6) When housing is deficient in areas where there is large seasonal employment of migratory farm workers, but where the seasonal labor need is of short duration, the Department of Agriculture establish transit camp sites without individual housing. These camp sites should be equipped with

water, sanitary facilities including showers, laundry, and cooking arrangements. They should be adequately supervised.

(7) The Department of Agriculture be authorized, and supplied with the necessary funds, to extend carefully supervised credit in modest amounts to assist migratory farm workers to acquire or to construct homes in areas where agriculture is in need of a considerable number of seasonal workers during the crop season.

(8) States be encouraged to enact State housing codes establishing minimum health and sanitation standards for housing in unincorporated areas.

(9) The Public Housing Administration of the Housing and Home Finance Agency develop a rural nonfarm housing program to include housing needs of migrants in their home-base situation.

IX. HEALTH, WELFARE, AND SAFETY

We recommend that—

(1) In amending the Social Security Act to provide matching grants to States for general assistance (as we recommended in chapter 7), provision be made to include medical care on a matching-grant basis for recipients of public assistance on the condition that no person be denied medical care because of the lack of legal residence status.

(2) The Public Health Service Act be amended to provide, under the supervision of the Surgeon General, matching grants to States, to conduct health programs among migratory farm laborers to deal particularly with such diseases as tuberculosis, venereal disease, diarrhea, enteritis, and dysentery, and to conduct health clinics for migratory farm workers.

(3) The United States Employment Service make no interstate referrals of migratory farm workers unless the representative of the State requesting the labor shall give evidence in writing that neither the State nor the counties concerned will deny medical care on the grounds of nonresidence, and that migratory workers will be admitted to local hospitals on essentially the same basis as residents of the local community.

(4) The Federal Committee on Migratory Farm Labor and the appropriate State agencies undertake studies looking toward the extension of safety and workmen's compensation legislation to farm workers.

(5) The Federal Social Security Act be amended to include migratory farm workers as well as other agricultural workers not now covered under the old-age and survivors insurance program.

X. CHILD LABOR

We recommend that—

(1) The 1949 child-labor amendment to the Fair Labor Standards Act be retained and vigorously enforced.

(2) The Fair Labor Standards Act be further amended to restrict the employment of children under 14 years of age on farms outside of school hours.

(3) State child-labor laws be brought to a level at least equal to the present Fair Labor Standards Act and made fully applicable to agriculture.

(4) The child-labor provisions of the Sugar Act be vigorously enforced.

XI. EDUCATION

We recommend that—

(1) The Federal Committee on Migratory Farm Labor, through the cooperation of public and private agencies, including the United States Office of Education, State educational agencies, the National Education Association, universities, and the American Council on Education, develop a plan which will provide an adequate program of education for migratory workers and their children. This may include Federal grants-in-aid to the States.

(2) The Agricultural Extension Services, in fuller discharge of their statutory obligations to the entire farm population, provide educational assistance to agricultural laborers, especially migratory workers, to enable these people to increase their skills and efficiency in agriculture and to improve their personal welfare. The extension services should also give instructions to both farm employers and farm workers on their respective obligations and rights, as well as the opportunities for constructive joint planning in their respective roles as employers and employees.

The Agricultural Extension Services should expand their home-demonstration work to supply the families of farm workers, particularly migratory farm workers, instruction in nutrition, homemaking, infant care, sanitation, and similar subjects.

In substance, the Commission recommends that the Agricultural Extension Services assume the same responsibility for improving the welfare of farm workers as for helping farm operators.

(3) The Federal Government, in accordance with the long-standing policy that agricultural extension work is a joint responsibility of the Federal Government and the several States, share in the cost of the proposed educational program for farm workers and their families.

APPENDIX B. EXCERPT FROM UNDEREMPLOYMENT OF RURAL FAMILIES

MIGRATORY FARM LABOR

Some underemployed farm families leave their farms during the harvest season and supplement their farm incomes by picking cotton, fruit, potatoes, tomatoes, or other crops; others forsake their farms entirely and attempt to make a living by following the crop harvest. Through years of varying economic conditions relatively permanent groups of workers have developed who meet the peak-season labor needs in various parts of the country. These are principally but not exclusively from farm sources. They have developed rather definite paths of movement from the winter work areas in Florida, south Texas, Arizona, and southern California to summer harvest areas in the north.

The number of people in this migratory work force has varied with crop conditions, prices of farm products, displacement by mechanization, and the general level of nonagricultural employment. It has also changed with the opportunity to go into urban occupations. According to a Nationwide survey made in 1949, there were slightly more than 1,000,000 people over 14 years of age in this work force at that time.[1] This number includes several hundred thousand workers from across the Mexican border who compete with domestic labor for the work that is available.

Farm people who go into the migratory labor force do so from lack of better opportunity and then merely change to another and less secure type of underemployment. According to the survey previously mentioned, the average number of days of employment for migratory workers over the country in 1949 was 101, 70 days in farm work and 31 more in nonfarm employment.

Three factor enter into this underemployment. First, a period of several slack months when there is little seasonal employment to be found. Second, irregular and intermittent employment during the harvest season. Some harvests are oversupplied with workers, others last for such a brief period that the amount of work obtained by a worker is small. The third factor is too large a supply of workers for the amount of work available. Migratory workers compete with local seasonal and yearround workers for employment. The latter, too, then suffer from underemployment; during 1949 they had a total of 120 days' employment of which 91 days were in farm work and 29 nonfarm jobs.[2]

The earnings from the 101 days of farm work which the migratory workers obtained in 1949 amounted to an average of $514.[3] The value of housing, transportation, and other perquisites amounts to $36 more.[3] At an average of two workers per family, total family incomes averaged $1,028 cash or $1,100 with perquisites. This amount had to feed, clothe, shelter, and educate a family of four.

Underemployment and low earnings are not the only problems among migratory farm workers. Poor housing, lack of sanitation and medical care, child labor, and educational retardation of the children, all tend to make them a disadvantaged group. They have little voice either in community, State, or national affairs and are unable to make effective demands to relieve their situation.

Although they are most essential to meet peak season demands for gathering in the national food supply, they are explicitly excluded from national legislation which protects and advances the rights of workers. Their position is the most precarious of any in our economy. They have no definable job rights and are so far removed from the employer group that they are unable to obtain redress for grievances.

Rather than hire seasonal and migratory workers directly and individually, it is a widespread practice among farm employers to hire in crews through labor contractors, crew chiefs, or labor recruiters. In many areas it is virtually impossible for a worker to obtain a job directly from the farm employer. As a consequence of these practices, a farm worker has to pay heavily from his already-too-low earnings for the privilege of getting work to do.

Mr. LANGFR. Mr. President, I wish to call attention to the fact that the President's Commission held 12 public hearings. Where were the hearings held? They were held in Brownsville, Tex.; El Paso, Tex.; Phoenix, Ariz.; Los Angeles, Calif.; Portland, Oreg.; Fort Collins, Colo.; Memphis, Tenn.; Saginaw, Mich.; Trenton, N. J.; West Palm Beach, Fla.; and two hearings were held in Washington, D. C. Not one hearing was held in the Middle West or other agricultural regions.

A few days ago there was published a list of the casualties in Korea. It gave the number of casualties suffered by the various countries who have boys fighting in Korea. Not one boy came from Mexico. Not one casualty was suffered by Mexico. A few moments ago the Senator from Florida [Mr. HOLLAND] said that during World War II the Selective Service Act was in effect in Florida. Under the act boys in Florida were inducted into the service. How does it work today?

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield. How does it work today? A county in the State of Kansas, South Dakota, North Dakota, or Florida, or in any other State, says, "We want so many men." Therefore in any agricultural county so many men must be sent into the service. They

[1] Migratory Farm Workers in 1949, Louis J. Ducoff, Bureau of Agricultural Economics, 1950.

[2] Migratory Farm Workers in 1949, Louis Ducoff, Bureau of Agricultural Economics, 1949.

[3] Perquisites Furnished Hired Farm Workers, Barbara B. Reagan, Bureau of Agricultural Economics, 1945.

have taken away the boys. In some sections of my State, as well as in the adjoining States, including Minnesota, insufficient help was available. The first boy in the family had already died in World War II. They then took the last boy and hired man. Now they come along and say, "We will continue taking the boys. When there is not enough labor available to do the work the Department of Labor will certify that you can get some men from Mexico."

I for one will not vote for a bill that says we are going to send our boys to die in Korea while the Republic of Mexico sends workers to the United States to take the place of our own farm boys and our city boys. Such foreign laborers are sent all over the Middle West, where I am intimately acquainted with the facts, where they draw wages, and the Senator from Minnesota says he wants to be sure that their wages are going to be high enough.

The distinguished Senator from Minnesota says that the reports show that all over the country there has been a terrible situation relative to migratory labor. Let me tell the Senator from Minnesota that I have lived in North Dakota. I am intimately acquainted in his own State of Minnesota, in Montana, South Dakota, and other farm States. I can give him name after name of men who came to those States as migratory laborers and who remained there and made a great success in farming and business. Today they are among the outstanding farmers and businessmen of those States.

I can readily see, by looking at the minority report, that, of course, the committee went to some of the large cities. It was pleasant to go to Phoenix, Los Angeles, and Portland, Oreg. It was nice to go to some of the other places in the wintertime. I note that the committee went to West Palm Beach, Fla., and that it held a couple of meetings in Washington. It was pleasant to go there. But I notice that they did not go to any little cities. They did not go to New Ulm, Minn. They did not go to Moorhead, Minn. They did not go to Jackson, Minn. They did not go to any city in North Dakota. They did not go to Kansas, New Jersey, Nebraska, South Dakota, or Missouri. Yet an overwhelming amount of the sugar-beet labor which comes from Mexico is going to some of the very States which I have named.

So, Mr. President, I for one decline to vote for a bill of this character, under which able-bodied, healthy boys from Mexico, a country which is not helping us in the United Nations, are sent to the United States to be employed at high wages and to take the place of farm boys and city boys who are fighting to save the Republic of Korea.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 984) was passed, as follows:

Be it enacted, etc., That the Agricultural Act of 1949 is amended by adding at the end thereof a new title to read as follows:

"TITLE V—AGRICULTURAL WORKERS

"SEC. 501. For the purpose of assisting in such production of agricultural commodities and products as the Secretary of Agriculture deems necessary, by supplying agricultural workers from the Republic of Mexico (pursuant to arrangements between the United States and the Republic of Mexico), the Secretary of Labor is authorized—

"(1) to recruit such workers (including any such workers temporarily in the United States under legal entry);

"(2) to establish and operate reception centers at or near the places of actual entry of such workers into the continental United States for the purpose of receiving and housing such workers while arrangements are being made for their employment in, or departure from, the continental United States;

"(3) to provide transportation for such workers from recruitment centers outside the continental United States to such reception centers and transportation from such reception centers to such recruitment centers after termination of employment;

"(4) to provide such workers with such subsistence, emergency medical care, and burial expenses (not exceeding $150 burial expenses in any one case) as may be or become necessary during transportation authorized by paragraph (3) and while such workers are at reception centers;

"(5) to assist such workers and employers in negotiating contracts for agricultural employment (such workers being free to accept or decline agricultural employment with any eligible employer and to choose the type of agricultural employment they desire, and eligible employers being free to offer agricultural employment to any workers of their choice not under contract to other employers);

"(6) to guarantee the performance by employers of provisions of such contracts relating to the payment of wages or the furnishing of transportation.

"SEC. 502. No workers shall be made available under this title to any employer unless such employer enters into an agreement with the United States—

"(1) to indemnify the United States against loss by reason of its guaranty of such employer's contracts;

"(2) to reimburse the United States for essential expenses, not including salaries or expenses of regular department or agency personnel, incurred by it for the transportation and subsistence of workers under this title in amount not to exceed $20 per worker; and

"(3) to pay to the United States, in any case in which a worker is not returned to the reception center in accordance with the contract entered into under section 501 (5) and is apprehended within the United States, an amount determined by the Secretary of Labor to be equivalent to the normal cost to the employer of returning other workers from the place of employment to such reception center, less any portion thereof required to be paid by other employers.

"SEC. 503. No workers recruited under this title shall be available for employment in any area unless the Secretary of Labor for such area has determined and certified that (1) sufficient domestic workers who are able, willing, and qualified are not available at the time and place needed to perform the work for which such workers are to be employed, and (2) the employment of such workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed, and (3) reasonable efforts have been made to attract domestic workers for such employment at wages and standard hours of work comparable to those offered to foreign workers.

"SEC. 504. Workers recruited under this title who are not citizens of the United States shall be admitted to the United States subject to the immigration laws (or if already in, by virtue of legal entry and otherwise eligible for admission to, the United States may, pursuant to arrangements between the United States and the Republic of Mexico, be permitted to remain therein) for such time and under such conditions as may be specified by the Attorney General but, notwithstanding any other provision of law or regulation, no penalty bond shall be required which imposes liability upon any person for the failure of any such worker to depart from the United States upon termination of employment: *Provided*, That no workers shall be made available under this title to, nor shall any workers made available under this title be permitted to remain in the employ of, any employer who has in his employ any Mexican alien when such employer knows or has reasonable grounds to believe or suspect or by reasonable inquiry could have ascertained that such Mexican alien is not lawfully within the United States.

"SEC. 505. (a) Section 210 (a) (1) of the Social Security Act, as amended, is amended by adding at the end thereof a new subparagraph as follows:

"'(C) Service performed by foreign agricultural workers under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended.'

"(b) Section 1426 (b) (1) of the Internal Revenue Code, as amended, is amended by adding at the end thereof a new subparagraph as follows:

"'(C) Service performed by foreign agricultural workers under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended.'

"(c) Workers recruited under the provisions of this title shall not be subject to the head tax levied under section 2 of the Immigration Act of 1917 (8 U. S. C., sec. 132).

"SEC. 506. For the purposes of this title, the Secretary of Labor is authorized—

"(1) to enter into agreements with Federal and State agencies; to utilize (pursuant to such agreements) the facilities and services of such agencies; and to allocate or transfer funds or otherwise to pay or reimburse such agencies for expenses in connection therewith;

"(2) to accept and utilize voluntary and uncompensated services; and

"(3) when necessary to supplement the domestic agricultural labor force, to cooperate with the Secretary of State in negotiating and carrying out agreements or arrangements relating to the employment in the United States, subject to the immigration laws, of agricultural workers from the Republic of Mexico.

"SEC. 507. For the purposes of this title—

"(1) The term 'agricultural employment' includes services or activities included within the provisions of section 3 (f) of the Fair Labor Standards Act of 1938, as amended, or section 1426 (h) of the Internal Revenue Code, as amended.

"(2) The term 'employer' shall include an association, or other group, of employers, but only if (A) those of its members for whom workers are being obtained are bound, in the event of its default, to carry out the obligations undertaken by it pursuant to section 502, or (B) the Secretary determines that such individual liability is not necessary to assure performance of such obligations.

"SEC. 508. Nothing in this act shall be construed as limiting the authority of the Attorney General, pursuant to the general immigration laws, to permit the importation of aliens of any nationality for agricultural employment as defined in section 507, or to permit any such alien who entered the United States legally to remain for the purpose of engaging in such agricultural employment under such conditions and for such time as he, the Attorney General, may specify.

"SEC. 509. Any person who shall employ any Mexican alien not duly admitted by an immigration officer or not lawfully entitled to enter or to reside within the United States

under the terms of this act or any other law relating to the immigration or expulsion of aliens, when such person knows or has reasonable grounds to believe or suspect or by reasonable inquiry could have ascertained that such alien is not lawfully within the United States, or any person who, having employed such an alien without knowing or having reasonable grounds to believe or suspect that such alien is unlawfully within the United States and who could not have obtained such information by reasonable inquiry at the time of giving such employment, shall obtain information during the course of such employment indicating that such alien is not lawfully within the United States and shall fail to report such information promptly to an immigration officer, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $2,000, or by imprisonment for a term not exceeding 1 year, or both, for each alien in respect to whom any violation of this section occurs.

"SEC. 510. No workers will be made available under this title for employment after December 31, 1952."

Mr. ELLENDER. Mr. President, I ask unanimous consent that the bill be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MACARTHUR HEARING—LETTER FROM SECRETARY ACHESON TO SENATOR KNOWLAND

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated April 26, 1951, which I received from Secretary of State Dean Acheson in response to a letter which I had addressed to him asking for certain information relative to the inquiry now under way.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, April 26, 1951.

The Honorable WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: I have your letter of April 17, 1951, in which you request that a copy of the Wedemeyer report on Korea of September 19, 1947, as well as certain other documents be made available.

As you may recall, the Korean section of the Wedemeyer report, which was read by you on a confidential basis on August 24, 1950, deals only with the situation existing in Korea in 1947 and is not an integral part of his report on China. Since the preparation of that report the situation in Korea has undergone a fundamental change, the military occupation in being at the time of General Wedemeyer's visit having given way to a sovereign Korean Government established on the basis of elections held in accordance with procedures laid down by the United Nations and under the observation of a United Nations Commission.

Last fall, I informed the Appropriations Committee that I had discussed with the President the request of the committee for a copy of General Wedemeyer's 1947 report on Korea and that the President had instructed me to communicate that it was his view that the declassification of the report in question would be contrary to the national interest.

The special guidance paper No. 28 of December 23, 1949, which you have seen and has been shown confidentially to members of the Appropriations Committee does not, as you know, purport to make foreign policy with reference to Formosa. It is a document which described informational policies and public attitudes with reference to Formosa at that time. The limited purpose of the guidance paper was thoroughly understood and appreciated by all officers to whom it was sent.

The clear purpose of this document was to protect the interests of the United States by avoiding declarations in our information output abroad at the time which would enable the U. S. S. R. and other anti-United States propaganda agencies to attack or deride the United States should Formosa actually fall, and to avoid making statements as to the significance of Formosa which would make any subsequent action by the United States to prevent the fall of Formosa appear, in the eyes of foreign countries, as a manifestation of United States power politics. The document did not call for any organized campaign, as has been charged, to prove that Formosa was of no strategic value, nor did it state that a decision had been made to write off Formosa. No such decision was ever made. On the contrary, the clear policy of the Government for more than 2 years has been to deny Formosa to the Communists.

This document was prepared because our public affairs officers recognized that Formosa represented a definite information problem for our overseas information program. It was based on existing policy decisions and took into account various intelligence reports and other basic data.

These guidances are prepared regularly on all major aspects of United States foreign policy in order that the international information program, including the Voice of America, will constitute a thoroughly coordinated arm of our foreign policy. The provision of such guidance has been strongly insisted upon by the Advisory Commission on International Information, which was established by the Smith-Mundt Act.

Information guidances of this nature, which keep pace with changing conditions, must be classified, since to make them public would have a decidedly adverse effect upon our foreign policy and upon the information program itself. Revelation of the detailed methods by which the United States conducts its foreign-information program would be of great assistance to the Soviets, not only in advising them of what our information techniques are, but also in permitting an information directive, if unclassified, to be used for extensive counterpropaganda.

The question has already been raised in this case why a particular document must be kept confidential whose content already, in a large part, has been made public. As explained in conversations with you prior to this, the disclosure of an official analysis of foreign public opinion and the disclosure of official attitudes recommended to be taken with reference to it, could be used far more effectively by Soviet propaganda than the partial, unofficial disclosure by the American press. In addition, this is an instance, like many others, where classified information, which became public without official endorsement, cannot be used as effectively as propaganda against the United States as would be the case if it were officially confirmed.

I must emphasize again that this document was not a formulation of political policy, but a development of information policy essential to a coordinated foreign-information program. As such it has been superseded in the light of events.

As to its preparation, you will recall that I stated to the Appropirations Committee that I considered it unwise and contrary to the public interest to indicate which officers in the Department participated, other than to state that 10 different officers in 4 offices within the Department participated in the drafting and clearing of this document. It must be recognized that papers of this kind are always the result of a give-and-take of views among the various persons on the working level. If the names of the people who participated in drafting documents were to be made public, the inevitable tendency would be for each to keep a careful record of his precise contribution or attitude on any controversial subject. A department in which officers on the working level are busily engaged in making records against one another would, of course, not function as efficiently as one in which the principle of effective responsibility of the top officials is recognized.

With respect to the other classified documents which you request, I am sure you will understand, in view of the pending hearings by the Armed Services and Foreign Relations Committees, that it is necessary for the Department to await the request of the chairman for any classified documents of this nature. At such time the Department will give careful consideration to any such request.

I am sending a copy of your letter and my reply to Senator RUSSELL for his information.

Sincerely yours,

DEAN ACHESON.

THIRD SUPPLEMENTAL APPROPRIATIONS, 1951

Mr. HAYDEN. Mr. President, on behalf of the Committee on Appropriations, I move that the Senate proceed to the consideration of House bill 3587, a bill making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHERRY. As I understand, this is the so-called third supplemental appropriation bill.

Mr. HAYDEN. The Senator is correct.

Mr. WHERRY. In this bill there are appropriations for the Voice of America and for several defense items. Is not that true?

Mr. HAYDEN. The Senator is correct.

Mr. WHERRY. Does the Senator feel that there will be considerable debate on the bill? Several Senators have asked me if I felt that we could conclude consideration of the bill in 1 day. I wonder what the judgment of the Senator is.

Mr. HAYDEN. I can see no reason why it cannot be concluded tomorrow without difficulty. There are some disagreements, but the amendments which have been submitted are comparatively minor, so far as the printed amendments are concerned. I have heard of no desire for extended debate. I think the bill can be promptly disposed of. I wanted to make it the unfinished business with the idea that we would proceed the first thing tomorrow to read the bill for amendment.

I now ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

Mr. WHERRY. Mr. President, what is the request?

Mr. HAYDEN. The usual request, that the committee amendments be first considered before amendments offered from the floor are considered.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none and it is so ordered.

RECESS

Mr. McFARLAND. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 14 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 8, 1951, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 7, 1951

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the source and inspiration of everything that is high and holy we pray that we may be more keenly aware of Thy presence and power as we enter upon this new week.

Grant unto us that strength and serenity, that faith and fortitude of mind and heart which we need as we accept the challenge of imperishable ideals and principles.

We pray that we may be a united people and have a clearer vision and appreciation of the multiplied power which we shall experience through our union in service for our beloved country.

Make us tireless in our efforts and unrelenting in our hope of the coming of that day when justice and righteousness and peace shall be established upon the earth.

Hear us in the name of our blessed Lord whose supreme purpose and greatest joy was to do Thy holy will. Amen.

The Journal of the proceedings of Friday, May 4, 1951, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H. R. 321. An act to provide that on and after January 1, 1952, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash;

H. R. 576. An act for the relief of Fred E. Weber;

H. R. 591. An act for the relief of R. J. Scheuerman, Daniel Fuller, W. Hardesty, and John M. Ward;

H. R. 594. An act for the relief of Japhet K. Anvil and Howard A. Monroe;

H. R. 622. An act for the relief of Mrs. Oksana Stepanovna Kasenkina;

H. R. 632. An act for the relief of Janina Wojcicka, Wojciech Andrej Wojcicki, and Stanislaw Wojcicki;

H. R. 664. An act for the relief of Mrs. Coral E. Alldritt;

H. R. 667. An act for the relief of Hildegard Dettling and Judith Ingeborg Dettling;

H. R. 714. An act for the relief of James A. G. Martindale;

H. R. 781. An act for the relief of Frederick Edmond Tomkins, Mary Ann Tomkins, and Edward Marshall Tomkins;

H. R. 789. An act for the relief of John Yan Chi Gee;

H. R. 859. An act for admission to the United States of Mrs. Margot Kazerski;

H. R. 887. An act for the relief of First Lt. Walter S. Moe, Jr.;

H. R. 889. An act for the relief of Lena Valsamis and Lucy Balosa Valsamis;

H. R. 890. An act for the relief of Athina Mary Onassis;

H. R. 891. An act for the relief of Mary Valsamis Dendramis and Vassili G. Dendramis;

H. R. 898. An act for the relief of Gunter Arno Thelemann;

H. R. 1101. An act for the relief of Mrs. Sadako Kawamura Lawton;

H. R. 1111. An act for the relief of Taro Takara;

H. R. 1117. An act for the relief of Kimiko Shibuya;

H. R. 1121. An act for the relief of Chin Yok Kong;

H. R. 1141. An act for the relief of St. Patrick Hospital and the Western Montana Clinic;

H. R. 1150. An act for the relief of Mario Pucci, Giacomo Favetti, Giuseppe Omati, Vincenzo Andreani, Lambruno Sarzanini, and Alessandro Costa;

H. R. 1164. An act for the relief of Pietro Giannettino;

H. R. 1263. An act for the relief of Dr. Chia Len Liu;

H. R. 1264. An act for the relief of Jacquelyn Shelton;

H. R. 1421. An act for the relief of Dr. Fernand Van Den Branden;

H. R. 1422. An act for the relief of Carl Parks;

H. R. 1438. An act for the relief of Mrs. Ingeborg Ruth Sattler McLaughlin;

H. R. 1451. An act for the relief of Charles R. Keicher;

H. R. 1475. An act for the relief of Elena Erbez;

H. R. 1798. An act for the relief of the estate of Yoshio Fukunaga, deceased;

H. R. 2068. An act for the relief of Sook Kat;

H. R. 2175. An act for the relief of Addie Dean Garner Scott;

H. R. 2304. An act for the relief of Bernard F. Elmers;

H. R. 2357. An act for the relief of Lucia Adamos;

H. R. 2450. An act for the relief of Concetta Santagati Giordano;

H. R. 2654. An act to amend section 10 of Public Law 378, Eighty-first Congress;

H. R. 2714. An act for the relief of Marcelle Lecomte;

H. R. 3196. An act to amend section 153 (b) of the Internal Revenue Code;

H. R. 3291. An act to amend subdivision a of section 34 of the Bankruptcy Act, as amended;

H. R. 3292. An act to amend subdivision a of section 55 of the Bankruptcy Act, as amended; and

H. Con. Res. 62. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 588. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon certain claims of William Bergen;

H. R. 593. An act for the relief of Cleo C. Reeves, Floyd L. Murphy, and Fabian P. Durand;

H. R. 645. An act for the relief of Mr. and Mrs. A. C. Lupcho;

H. R. 652. An act for the relief of the estate of Mattie Mashaw;

H. R. 656. An act to confer jurisdiction upon the United States District Court for the District of New Mexico to hear, determine, and render judgment upon the claim of Al Parker;

H. R. 703. An act for the relief of the estate of D. A. Montgomery;

H. R. 756. An act for the relief of Nicoletta and Guilia Pontrelli;

H. R. 849. An act for the relief of Mrs. Eleanor K. Savidge;

H. R. 1235. An act for the relief of John Clarke;

H. R. 1424. An act for the relief of T. L. Morrow;

H. R. 1722. An act for the relief of Louise Leitzinger and her daughter;

H. R. 1823. An act for the relief of Jose Encarnacion Ortiz;

H. R. 2782. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States; and

H. R. 3297. An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 24. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," approved June 26, 1930, as amended;

S. 275. An act for the relief of Rafael Kubelik, his wife, Ludmila Kubelik, and their minor son, Martin Kubelik;

S. 291. An act for the relief of Claudio Pier Connelly;

S. 297. An act for the relief of Tsung Hsien Hsu;

S. 360. An act for the relief of Stefan Lenartowicz and his wife, Irene;

S. 467. An act to authorize the exchange of wildlife refuge lands within the State of Minnesota;

S. 536. An act for the relief of the estate of Sidney Lomax, deceased;

S. 652. An act for the relief of Ruth Alice Crawshaw;

S. 677. An act to fix the personnel strength of the United States Marine Corps, and to establish the relationship of the Commandant of the Marine Corps to the Joint Chiefs of Staff;

S. 879. An act for the relief of Luigi Podesta;

S. 915. An act for the relief of Betty Minoru Kawachi;

S. 945. An act to amend the District of Columbia Teachers' Salary Act of 1947;

S. 1025. An act to expand the authority of the Coast Guard to establish, maintain, and operate aids to navigation to include the Trust Territory of the Pacific Islands;

S. 1054. An act for the relief of Curt Edward Friese;

S. 1092. An act for the relief of Dr. Francesco Drago;

S. 1109. An act for the relief of Grady Franklin Welch;

S. 1113. An act for the relief of Philip J. Hincks;

S. 1183. An act to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska," as amended;

S. 1220. An act to authorize the appointment of Bernt Balchen as a permanent colonel in the Regular Air Force;

S. 1227. An act for the relief of sundry former students of the Air Reserve Officers' Training Corps;

S. 1229. An act for the relief of Jan Joseph Wieckowski and his wife and daughter;

S. 1254. An act for the relief of Athanasios Elias Cheliotis;

S. Con. Res. 11. Concurrent resolution reaffirming the friendship of the American people for all the peoples of the world, including the peoples of the Soviet Union; and

S. Con. Res. 26. Concurrent resolution favoring the suspension of deportation of certain aliens.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

MAY 7, 1951.

The honorable the SPEAKER,
House of Representatives.

SIR: Desiring to be away from my office for several days, I hereby designate Mr. H. H. Morris, an official in my office, to sign any and all papers and do all other acts for me which he would be authorized to do by virtue of this designation and of clause 4, rule III, of the House.

Respectfully yours,

RALPH R. ROBERTS,
Clerk of the House of Representatives.

CONSENT CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar today be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency, during the consideration of the bill H. R. 3871, be permitted to sit while the House is in session in general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDER GRANTED

Mr. KELLEY of Pennsylvania asked and was given permission to address the House for 5 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

ARTIFICIAL LIMBS

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Speaker, again I would call the attention of the Members to the demonstration that will be held in the Old House Office caucus room on Thursday of this week. The purpose of this demonstration is to display to the Members and the public the latest artificial arms and legs.

The development of these devices has been carried out by the National Research Council over a period of years. The funds for its operation were authorized in a bill presented by the gentlewoman from Massachusetts, Mrs. EDITH NOURSE ROGERS, who has done such extraordinary work in behalf of the amputee veterans.

The demonstration will be made by amputees of the Second World War and the Korean campaign. While there are some 20,000 amputees as a result of World Wars I and II and the Korean campaign, in the civilian population of the Nation there are at least 12 times that number. Through legislation sponsored by the gentlewoman from Massachusetts [Mrs. ROGERS] and me and adopted by the Congress, the civilian population receives the benefit of the scientific developments in artificial limbs made by the National Research Council. The advances made have been most remarkable, as I pointed out the other day, and I hope to have more to say about this before Thursday.

UNITED NATIONS EMBARGO ON ARMS TO RED CHINA

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I am today introducing a concurrent resolution urging the General Assembly of the United Nations to take action with respect to placing an arms embargo against Communist China and for other purposes.

The American proposal to have the United Nations General Assembly recommend that an arms embargo be clamped down on Red China should have the united endorsement of all member nations of the United Nations.

Under the proposal, the Assembly would call upon all members not to send arms, ammunition or war-potential materials to Red China and that steps be taken to prevent nullification of the embargo, and that a special committee to receive periodical reports from the member states and to take such other measures aimed at making the program as effective as possible.

My resolution further recites that Communist China has long since been banned as an aggressor by an overwhelming majority of the member nations of the United Nations; and that more than a dozen member nations are participating directly with the United States in the heroic military action against the common enemy in Korea.

The resolution further provides that no soldier fighting under the flag of the United Nations should be the target of a bullet, a bomb, or a tank manufactured in the free world or required to fight against troops supplied with materials coming from a free world.

One of our representatives in the United Nations has expressed the view that in his judgment an Assembly-declared embargo, besides helping to strengthen and tighten up present shipping bans, would serve as further proof of the United Nations unity against aggression. This same representative further expressed the view that it was hard to see how any member of the United Nations who supports United Nations action in Korea could reasonably object to a determination by the United Nations that no United Nations soldier should be the target of a bullet manufactured in the free world.

It is my opinion that our boys who are fighting in Korea should not be killed and murdered with arms, guns and tanks coming from members of the United Nations for whom these soldiers are fighting. This resolution will be a great force in upholding the hands of the American representatives in the General Assembly of the United Nations to bring about action leading to the placing of an embargo on the shipment to Communist China of war materials from any of the United Nations, and this Congress should not hesitate for one moment to pass this resolution unanimously which might bring about the banning of shipping war materials to Communist China.

The SPEAKER. The time of the gentleman from Florida has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. DAGUE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. DAGUE addressed the House. His remarks appear in the Appendix.]

THE OPS ROLL-BACK ON BEEF IS WRONG

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a copy of a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I rise at this time to call attention to the recent order of the Office of Price Stabilization directing that the price of live cattle be rolled back or reduced by 10 percent from the level of April 29, and a further roll-back of 9 percent this fall.

This order, in my opinion, will result in less and not more meat for the American public. The order is discriminatory, unfair, and unworkable. It is directed against a segment of American people who are doing everything they can to produce food and more food for the people of this Nation. This order does not even stabilize prices where they are, but rolls them back, which is not done to any other segment of industry or business.

Mr. DiSalle admits that the present order will not presently result in cheaper prices of meat for the consumer, but the forced reduction against the producer will go to the larger processors of meat.

Certainly a roll-back is not stabilization. What we really need is more and more production. This order is bound to mean less production of meat.

You will observe the order provides that those engaged in the processing of meat are allowed to slaughter 90 percent of the amount processed a year ago. Why there should be reduction rather than increase is something that goes unexplained.

This order will discourage farmers and stockmen from finishing cattle for beef, which again will result in a further scarcity of the beef supply. So the order will not accomplish the purpose for which the Office of Price Stabilization has claimed for it.

This order does not even allow farmers 85 percent of profits made last year as permitted in business and industry. If the roll-back means a loss, you take it and that is all there is to it.

The order will create all kinds of confusion. Confusion in grading, which is an important factor and most difficult to administer. This alone will make various differences in the sale price of livestock on the market. The order will cause further confusion for the reason that livestock men who, by reason of the kind of business in which they are engaged, are required to operate on a long-range program will become discouraged on account of the uncertainty in the months ahead.

I think the Members of this House will be interested in knowing that while one agency of Government issues an order that will curb production, another agency is presently giving consideration to the encouragement of importation of livestock from foreign countries. It also goes so far as to suggest a subsidy program for the livestock business. That is one thing the livestock business does not want.

I should also add according to figures submitted by the Department of Agriculture, less than 5 percent of the income goes for meat, and beef is only a part of that segment of food.

I agree livestock prices are high, but the method by which the Office of Price Stabilization attempts to deal with the situation is unworkable, socialistic and wrong. It will not accomplish the purpose for which it is claimed to be designed. Why penalize one group against the other? The thing we should do is to encourage every farmer and every livestock man in this country to produce all the food possible, and not follow a socialistic program that will do irreparable harm not only to one of the most important industries in this country, but to the individual farmer who cannot stand the loss.

Mr. Speaker, this order is not a stabilization order. It does not stabilize at present prices. If it did that, there would not be quite so much complaint. This is a directive that reduces the price of the property of the farmers of this country without regard to its real value, and a further order for another reduction regardless of the loss that may be sustained. It just will not work.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix.]

ROLL-BACK ON THE PRICE OF MEAT

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I have just heard the gentleman from Kansas [Mr. REES] refer to the meat price roll-back. I would like to commend Mr. DiSalle, the OPS Administrator, for that roll-back.

I think the provision of the Defense Production Act, which deals with food prices, is discriminatory—it is a provision which holds a roof over the price of food while leaving the Administrator free under the act to regulate everything else which goes into the cost of living of the moderate income family.

Meat prices were frozen with beef according to my best recollection at 130 percent of parity. Farm representatives say that parity is the standard they want for Government protection. I would like to tell the gentleman from Kansas this——

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. No; not at this time. I have only 1 minute and the gentleman was not interrupted in his time.

Meat consumption has increased tremendously in this country because wages have gone up and that is good for farmers and consumers alike, but the American consumers can strike too and can refuse to buy meat, just as those who raise cattle may refuse to ship it to market as we are told they may, and it may have to come to just that. This would be most unfortunate for the raisers, the consumers, and the country generally. And I hope very much it does not happen. But the provisions of the Defense Production Act on this subject need to be revised and the present OPS order on beef needs to be supported.

The SPEAKER. The time of the gentleman from New York has expired.

BEEF CATTLE PRICE ROLL-BACK

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, the average laboring man today can buy 1.5 pounds of beef, with the proceeds from 1 hour's work, while in 1929 he could only secure 1.2 pounds of beef for the same hour's work. In 1929 he could in 1 hour earn the equivalent of 1.3 pounds of bacon, while today that hour will give to him 2.3 pounds of bacon. The wage earner today is far better off than he was then. I think, as the gentleman from Kansas [Mr. REES] has well stated, this proposed roll back will result in the production of less, not more, beef. Production is the only answer to a scarcity of any commodity. After all, it makes no difference to the consumer if he sees the price of meat put down on the trays in the butcher shop a dime or so, if there is no meat in that particular tray which is for sale.

The SPEAKER. The time of the gentleman from Minnesota has expired.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House today for 15 minutes, following the legislative program and any special orders heretofore entered.

THE MEAT SITUATION

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, as one who claims to be both a producer and a consumer, though not so much of the latter as of the former, permit me to call the attention of the gentleman from New York [Mr. JAVITS] to the threat that he just made that the consumers in New York might go on strike if there was not a roll-back on the price of meat, and ask him, "What are they going to eat if they do go on strike?" And to call his attention to the position of the farmers—and I do not hold with subsidies and all this business of giving one group, then another, the taxpayers' money. I would rather go back to the old law of supply and demand—less Government regulation and mismanagement.

Permit me to direct his attention to the fact that owning a little piece of land and having a cow and some pigs a farmer or your humble servant can get along pretty well—that at least the farmer can eat—but I do not know how you who live in the city of New York on the pavements are going to grow cattle or hogs or raise food.

Mr. JAVITS. I would remind the gentleman that George Bernard Shaw lived to be well over 90 years old and he ate nothing but vegetables.

Mr. HOFFMAN of Michigan. Yes, but the farmer grows the vegetables. Will your people plant or sow seed in the cracks in the sidewalks or pavements or will you grow your vegetables in window boxes or the parks?

Do you intend to follow the old saying "and they kept the pigs in the parlor," "the cow in the kitchen"?

Are we not all just a little dependent upon each other—but is not the farmer living on mother earth just a little more independent than the rest of us?

PRICE CONTROL ON MEAT

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, perhaps we are paying too much attention to the remarks of the gentleman from New York, Mr. JAVITS, concerning the roll-back of prices on live cattle. However, the gentleman from New York is very much in error in his praise of the order and its effect on consumers. As one who comes from a cattle country, I am not here to defend the high price of cattle. Cattle prices, like many other prices, have been too high. However, Ceiling Price Regulation No. 23, rolling back prices on live cattle, is like burning down the barn to get rid of the rats. Its ultimate result will be less meat at higher prices. Doubtless the intentions of Price Stabilizer DiSalle are good, but his methods are exceedingly bad. For example, he might have rolled back and fixed the price on meat in the butcher shop, which would have accomplished his purpose with less disastrous results. He might even have rolled back the price on live cattle and made it effective as of the date of his order. The order issued, however, rolls back prices first on May 20, then a second roll-back on August 1, then a third roll-back on October 1, with no ceiling on veal or calves. As a result, perhaps a million head of cattle will be marketed prematurely before the May 20 deadline, and the public will lose at least 300,000,000 pounds of beef. More premature marketing will take place before the August 1 deadline, and still more before the October 1 deadline. Calves will be sent to the butcher before they have produced any substantial amount of beef. Let me remind the gentleman from New York that there was a time during World War II when his great city of New York was practically without beef. Under the existing order, within 10 months his great city, and many other cities, will probably be without beef. Most of the beef that will be left under this order after a few months will be in the black market. The feed lots of the country are already being emptied, and the ranges of the country will largely be emptied within a few months. Production, not scarcity, is what the country needs. If we are going to roll the price back on one item of food, we should roll the prices back correspondingly on all items, and it should be done as of the date of the orders, and not at some future date. These lessons should have been well learned from experiences with OPA during World War II. I hope there were no political considerations back of Mr. DiSalle's order. If there were, he is doomed in the long run to be sadly disappointed. In the long run, the consumer, as well as the cattle raiser, will suffer under Ceiling Price Regulation No. 23.

DEDUCTION IN TAX RETURNS OF STATE GASOLINE TAXES

Mr. KING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 136) allowing the consumer of gasoline to deduct, for income-tax purposes, State taxes on gasoline imposed on the wholesaler and passed on to the consumer, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Amendment: Page 2, line 15, strike out "December 31, 1949" and insert "December 31, 1950."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is merely a change in the date.

Mr. KING. That is all.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE LATE HONORABLE FRED GUSTUS JOHNSON

Mr. CURTIS of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS of Nebraska. Mr. Speaker, it becomes my sad duty to announce to the House the death of a former Member of this body, the Honorable Fred Gustus Johnson, who served with distinction in the Seventy-first Congress. Mr. Johnson was elected on the Republican ticket, and represented the old Nebraska fifth district. As a Congressman, he established a fine record in support of sound Americanism and in support of agriculture.

Fred G. Johnson was born on a farm near Dorchester, Saline County, Nebr., October 16, 1876. He attended country school and was graduated from the law department of the University of Nebraska and admitted to the bar in 1903. In addition to his law practice he also engaged in agricultural pursuits. He first became active in politics by serving in the State legislature. Later he served as a member of the State house of representatives, the State senate, and was Lieutenant Governor of Nebraska in 1923 and 1924. In 1945 he was elected judge of the county court of Adams County, Nebr., and served in that capacity until the date of his death. Judge Johnson died last Monday, April 30, at the age of 74.

Mr. Speaker, I know that I speak for every Member who served here with Judge Johnson in expressing our deep sorrow at his passing. We extend to his family our deepest sympathy.

COMMUNISM

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I sometimes am astounded at the gentleman from New York [Mr. JAVITS] when he goes off on the Communist line, as he did in defending the Communist raid on Peekskill, N. Y., or when he inserted that stuff in the RECORD the other day supporting that Communist order wiping out segregation in our Armed Forces. When that crazy order was issued, I said it was the greatest victory that Stalin had won since Yalta.

Now he comes along and attempts to read the riot act to the farmers of this country because they protest against these crazy DiSalle orders that would simply grind into the dust the farmers who produce the raw materials to feed and clothe the world.

DiSalle and his gang have already plundered the cotton farmers of my State of Mississippi of $200,000,000 on this year's cotton crop, if they make the 2,000,000 bales requested by the administration. He is simply stomping on the farmers of this country all over the South, the West, and the Middle West.

Let me tell you what is going to happen. You cannot force those farmers to feed you at their expense, and you might as well understand it.

They are Americans, and they are going to demand that they be treated as Americans.

AMENDMENT OF DISPLACED PERSONS ACT OF 1948

Mr. MITCHELL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 207 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3576) to amend the Displaced Persons Act of 1948, as amended. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MITCHELL. Mr. Speaker, we have no requests for time on this side. I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. RANKIN. Mr. Speaker, I think we ought to have a quorum to hear this debate. I make the point of order that a quorum is not present. If they are going to continue to bring these so-called displaced persons in here and impose them onto the American people the Congress ought to debate this issue in the open. We ought to know what is going on. Many of these people are doing more harm than good, at least many of the ones that were brought into the South, and I would like to see this question openly debated.

Mr. Speaker, I withdraw the point of no quorum for the time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3576) to amend the Displaced Persons Act of 1948, as amended.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 52]

Abbitt	Gary	Miller, Nebr.
Adair	Gathings	Morano
Anfuso	Gavin	Morgan
Armstrong	Gillette	Morrison
Ayres	Gordon	Murray, Wis.
Baker	Gore	O'Brien, Mich
Barden	Granahan	O'Neill
Baring	Green	Passman
Barrett	Gwinn	Patman
Beall	Hall,	Patterson
Bramblett	Leonard W.	Philbin
Bray	Halleck	Phillips
Brehm	Hand	Powell
Brownson	Hart	Price
Buckley	Havenner	Redden
Burton	Hébert	Reece, Tenn.
Canfield	Heller	Robeson
Carlyle	Herter	Rogers, Mass.
Chatham	Hoffman, Ill.	Roosevelt
Chelf	Holifield	Scott, Hardie
Chudoff	Hunter	Short
Cole, N. Y.	Irving	Smith, Miss.
Combs	Jackson, Wash.	Smith, Va.
Corbett	Jenison	Stanley
Coudert	Judd	Sutton
Cunningham	Kearney	Taylor
Curtis, Mo.	Kearns	Towe
Davis, Tenn.	Kelly, N. Y.	Vail
Dawson	Kennedy	Van Pelt
Denton	Kersten, Wis.	Vaughn
Dingell	Klein	Velde
Dollinger	Kluczynski	Vinson
Donohue	Lane	Vorys
Eaton	Latham	Watts
Fallon	McConnell	Weichel
Fine	McCulloch	Wharton
Flood	McGrath	Whitaker
Fogarty	McKinnon	Willis
Fulton	Mack, Ill.	Wilson, Ind.
Furcolo	Madden	Woodruff
Gamble	Magee	
Garmatz	Miller, Md.	

The SPEAKER. Three hundred and ten Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENT OF DISPLACED PERSONS ACT OF 1948

Mr. CELLER. Mr. Speaker, I renew my motion that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3576) to amend the Displaced Persons Act of 1948, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3576, with Mr. KELLEY of Pennsylvania in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CELLER. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, all this bill does is to extend for a period of 6 months the operation of the Displaced Persons Act. The bill was reported without a dissenting vote from the Committee on the Judiciary. There was wholehearted approval among members of that committee for the extension of the life of this act.

There have been actually admitted under the Displaced Persons Act as of March 15, 247,000 displaced persons. I believe as of May 31 the number admitted was 251,000. There is a total permissible number of 341,000. Six months are needed to conclude the program and the process completely and admit the balance. We ask, therefore, that the operation of the act be extended to December 31, 1951, from July 1, 1951.

Practically all of the displaced persons who have been admitted have been integrated into the economy of the Nation, and I am quite confident they will become useful and effective citizens. There is very elaborate screening of every applicant for admission under the DP act.

First, the DP's are screened by the State Department, then by Central Intelligence, then by the Immigration and Naturalization Service, then by the DP Commission, in most instances by the FBI, and then the Army has made complete dossiers on every one of the DP's. So with all these agencies combining to screen the DP's, if anyone gets through I assure you that he must be worthy of immigration status.

About 40 percent of all those who have applied have been for some reason or other rejected. That is a rather large number of rejections, but the rejections were for reasons which are in the best interest of the country. To give you an idea how effective the screening is, of the 247,000 that were admitted as of March 15 only three have been deported. There were only three actual cases where conduct of the DP warranted deportation. Two of the three became public charges and, therefore, were in violation of the immigration code and subjected themselves to deportation. The third committed a crime after admission. There are 34 outstanding warrants of deportation, but those cases have yet to be tried. But taking it all in all I would say, and I am sure you will agree with me, that because of the careful screening there has been no danger whatsoever of the entrance of subversives or of those who would operate against the welfare of the country.

Why do we ask for an extension of 6 months? There have been certain unforeseen delays in the carrying out of the program. Nobody in particular is responsible. Among the delays are the following: One concerns the interpretation placed upon the Internal Security Act which was passed by the last Congress. You may remember that act contained certain language which was in controversy. The Attorney General took the position that any DP who at any time had been a member of any totalitarian party in his life—Fascist, Communist, or Nazi—was inadmissible. The Attorney General said any connection, no matter how remote, would be sufficient to bar the applicant.

Many worthy men and women, when they were young, had joined various Nazi, Fascist, and Communist youth movements in totalitarian countries. They were too young to resist. I am quite sure that had they been older, on mature reflection, they might not have joined, but they were children. Others, in order to get food and to procure ration cards, were compelled to become members of these obnoxious parties. Still others were conscripted in the armies. All those acts on their part were in most cases involuntary. To clear up doubts we passed an amendment to the Internal Security Act which provides that the act of joining these organizations must have been voluntary acts, and the joining in order to eat and live or while in childhood is no bar. Now, also, we require an affidavit of good faith. But as a result of that prior interpretation by the Department of Justice and the subsequent amendment delays were caused in the DP processing.

Secondly, there has been lack of ships to bring over the DP's. Some of the ships requisitioned by the Army for the transportation of troops have been previously used to transport DP's. They were requisitioned for the transportation of Greek and Turkish soldiers and matériel to the theater of combat operations in Korea.

Thirdly, there was considerable disruption of operations in the DP camps in Germany. The United States Army took over possession of a number of the camps and camp installations, because of our troop reinforcements in Europe, and the DP's were compelled to go elsewhere. Well, that also resulted in considerable delay in the processing of the applications. There was no central place where the files were kept, where dossiers were located, and the DP Commission and others having jurisdiction had great difficulty in laying their hands on the records and the individuals. Both were scattered. There were several other factors that caused more delay. We are now asking that 6 months' more time be granted to enable the DP Commission to complete its work.

There has been a general growing demand for the DP's in this country. For example, the Southern Power Co. wants 400 loggers. One midwest State has requested 400 farmers. One western company has asked for 350 hard-rock miners. A glove-manufacturing company has asked for 100 glove makers. A midcentral State industrial council has asked for 350 construction workers. Certain central States want 350 foundry workers. There has been a general demand for tool and die makers, for tailors, machinists, and the DP Commission is endeavoring to supply this demand as best it may. There is a great and growing demand for farm labor, and of the 60,000 visas left to be filled approximately 27 percent thereof are for farm workers.

The DP Commission is selecting that type of worker most needed in this country and I think they are doing a good job, and for that reason we petition you that you grant an additional 6 months to complete this program, after which there will be no request for more DP's, no request for additional appropriations. We will put the word "finis" on the DP program.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Ohio.

Mr. JENKINS. How far behind are they now? The gentleman says they are about 300,000 behind.

Mr. CELLER. No. The gentleman is in error. They have actually processed as of March 15, 247,000. There is a total of 341,000 permitted. Now, between March 15 and to date they have processed additional numbers. I would say roughly that there are over 50,000 left to be considered plus some in the so-called pipeline of processing.

Finally I offer unstinted praise to the members of the DP Commission, Messrs. Gilson, Rosenfeld, and O'Connor, and the predecessor of Mr. Gilson, Mr. Caruse, for a work well performed.

Mr. GRAHAM. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, in 1947 I was a member of a subcommittee of the Committee on Foreign Affairs, with my colleague the gentleman from Pennsylvania [Mr. FULTON] as chairman, which went over to look into the DP situation and came back with a report which I think, with some humility, was the beginning of the profound congressional interest in trying to work out that problem. We got into it because the International Refugee Organization was to receive an appropriation from the Congress of well over $70,000,000 as the United States contribution to the solution of the DP problem, and because in connection with the occupation of Germany after World War II certain obligations were undertaken by us in an authoritative way through our occupation commander, and otherwise with respect to the disposition of the displaced persons in Europe.

We found in 1947 that here was an outstanding fine reservoir of man and womanpower which ought to be utilized for the benefit of our country. After very, very thorough debate and thorough investigation this Congress and this House not only passed the DP bill in 1948 but also subsequently, reflecting its views as to the character of the problem and the way it was handled, increased by well over 100,000, the number of displaced persons permitted to come into the United States. What we are being asked to do now is to complete the program and it is very desirable from both a foreign policy and financial point of view that it be completed.

First, from the foreign policy point of view, there are few programs that reflect as much credit on the United States in terms of the leadership of the free peoples of Europe and of the world since World War II in view of the grave injustices of slave labor camps and similar outrages on the peoples of Europe by the Nazis which resulted in bringing into being the DP's. That was a very grave problem which required leadership, which the United States gave. It was United States leadership that made possible the resettlement, really, of all the DP's because it was clear from the beginning that nothing could be done unless the United States led, and the United States did lead. What we are being asked to do now is to consummate the program which we earlier undertook.

As to the financial side, we have supported our part of the IRO, and if the IRO must go on we probably will continue to support our part of it with the millions of dollars which it takes. We have a pretty good opportunity now if we extend this program to complete the evacuation of the displaced persons' camps. The displaced persons' camps are due to be pretty well wound up by October or at the latest December this year. This extension will go far to help to do it. Otherwise we may find ourselves with a continuation of IRO and the necessity for more appropriations on that score.

Another thing I would like to emphasize is that there is no question of groups involved; the act is seeking to take care of those who will be most useful to the United States on the grounds of skill and character. I might tell the House, as a matter of parenthetical interest that there were originally a great many Jewish-displaced persons, as everybody knows, some 22 percent of the total, but the great majority of these were happily resettled in Israel, where they are doing a very constructive job. We are dealing here in this extension not with groups but with people who are going to be useful to the economy and the future of the United States.

I certainly think on those three grounds, the continuance and the consummation of the DP policy which we adopted in 1948, which led to the international solution of the problem, a financial saving, and a very important financial saving, if we move to wind up the DP camps now, and the fact that we are getting people who are very desirable for the future of the United States, this particular measure ought to pass.

I should like to take 1 minute to make a personal reference, because obviously this bill is going to be opposed very strongly by the gentleman who made a bitter personal attack on me just a little while ago on the floor.

I have said once before in answering what I considered to be a vicious attack on Americans of the Jewish faith by the same gentleman that I would not move to strike out what he said, because I believe that every once in a while one has the chance to feel that despite the fact that one is only a single Member of 435 Members he can do something useful here. One of the things I think I can do that will be very useful is to let these hate denunciations stand as monuments to what can happen in this country if free Americans will permit themselves to be scared by the kind of denunciation which is made here by this particular Member. I will not permit myself to be scared nor, I assure you, will I suffer a heart attack, as one of my colleagues from New York did, I understand, long before I was here, in a similar situation.

As I say, I will not permit myself to be silenced by terms of opprobrium which may be hurled at the things I do and the reasons I do them. I should like to stand a little bit on the record.

I should like to tell the gentleman from Mississippi [Mr. RANKIN], incidentally, that I have a bill before his committee, a bill needed in fairness to the provisions the law has made to encourage home ownership by veterans. I hope very much the gentleman will demonstrate the Americanism he preaches by giving a full and fair hearing on the subject matter of the bill regardless of the fact that I introduced it.

Let us just take a look at my record and his. The record will show, I believe, that in foreign affairs matters the gentleman from Mississippi voted contrary to the way I did, and very much the same way that a certain gentleman from New York voted who was here up to this Congress, who was charged with following what he calls the Communist line. That is a very strange identity of voting.

I might say to the gentleman that when it comes to serving my country and going back to where I belong, I happen to belong on the east side of New York, and I go back there very frequently, and I like it very much.

In addition, may I say to the gentleman that the gentleman had promoted a multi-billion-dollar pension bill in this House estimated to cost well over $100,000,000,000, which was defeated, which would have started a precedent that could have bankrupted the United States and done exactly one of the greatest acts that the Communists want, to hand this country over to them. After this defeat a perfectly reasonable and proper veterans' pension measure did pass, replacing the one promoted by the gentleman.

May I say that the gentleman from Mississippi opposed the European recovery program and the mutual defense assistance program, the defeat of which milions of Americans believe, as I do, would have turned Europe over to the Communists.

I do not make personal attacks in the House and I am not going to start now and this matter is ended as far as I am concerned. I am only saying these things because of the personal attack that has been made on me and because I think everybody in this House admires some spirit. I think I have a little bit of spirit. May I say I think everyone in the House serves his country as sincerely and with as deep conviction as he knows how, and I say that, although I doubt that the gentleman from Mississippi would say that about me—I say that about him—I think he is sincerely trying to serve his country and all I ask is that regardless of what the gentleman from Mississippi thinks or says about me, I am only solicitous about the fact that the other 433 Members shall feel that in my way and with deep sincerity and out of love for my country, for

which in World War II I was perfectly willing to give up my life, I am serving my country for its best interests.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

AMERICANISM VERSUS COMMUNISM

Mr. RANKIN. Mr. Chairman, it is unusual to hear some unsung hero get up in this House and boast about how he has offered his life for his country. It certainly was most amusing to hear the statement of the gentleman from New York [Mr. JAVITS] especially about the votes he has cast on what I consider to be the most rank Communist program that has ever been proposed.

One of the most dangerous movements I can think of is this DiSalle program to step on the farmers of this country and literally grind them into the dust. But the gentleman from New York [Mr. JAVITS] just now undertook to compare my record with that of Mr. Marcantonio. Why, he voted with Marcantonio ten times as often as I did. Marcantonio sometimes got right and voted with us Americans on a few issues. But everybody knows that when it came to communism, Marcantonio and I were as far apart as two human beings could get.

Then the gentleman from New York [Mr. JAVITS] brands as communistic my bill to take care of the old veterans of World War I and my votes against the so-called Marshall plan to give untold billions of dollars to foreign countries, at least some of which is now being used to kill our boys in Korea.

You know, and I know, that America is financing both sides of this war, as a rule, through this so-called Marshall plan—the Bevin plan, if you please. This money is coming out of the pockets of our overburdened taxpayers including our old World War I veterans, whose pension bill he brands as communism. He boasts about helping to kill that bill to provide pensions for the old World War I veterans. I hope the old World War I veterans will read that. I want them to read it. My sympathies go out to the men who really made the sacrifices, fighting for this country and not the ones who come on the floor of the House and boast about what they have done. Look at the boys—look at the old men of World War I, many of whom are unable to make a living. The gentleman from New York [Mr. JAVITS] wants to send this money to Europe, Asia, Africa, Israel, and Japan, and let those old veterans go to the poorhouse.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Illinois; yes, sir.

Mr. BUSBEY. Do you know of anyone in this House of Representatives who has been fighting communism longer and more violently over the last 30 years than I have?

Mr. RANKIN. No, sir; I do not.

Mr. BUSBEY. Well, I voted against the Marshall plan and I was not voting for communism. I was voting against communism when I voted against the Marshall plan and the Greek-Turkish loan and all the rest of these give-away programs.

Mr. RANKIN. But that Marshall plan costs us forty or fifty billion dollars, and they are still demanding more, and yet the gentleman from New York [Mr. JAVITS] calls it communism when we attempt to take care of our old veterans who fought in the First World War. I am getting darned tired of these fellows whining every time you mention the racial issue, and then getting up here and attacking the white people of the South, and trying to stir up trouble between the whites and Negroes throughout the Southern States. That is what you are doing, and that is what this crazy statement that the gentleman inserted in the RECORD the other day meant. He does not care a tinker's dam about the Negroes. He is just following the communist line which is bending every effort to stir up race trouble in this country, and especially in the South; and that is exactly what this antisegregation order is doing.

It is doing the Negroes, as well as the whites, infinite harm.

They levied quotas based on population in Mississippi and then took the white boys to do the fighting, and did not allow any exemptions to the cotton farmers who are now stepped on through this crazy DiSalle program, robbing the State of Mississippi of $200,000,000 a year on its cotton crop; robbing the farmers of Iowa, Nebraska, Kansas, and every other State on the meat products and chickens and other things they produce.

Yet not one of you has said a word about what is the real trouble. You are inflating the currency of this country just as fast as it can be done. There is $27,180,000,000 in circulation, compared to about $5,000,000,000 in normal times. Not a thing has been done to check that inflation. A gang of Wall Street bankers reap the benefits. They eat the beef. They do not produce it. They are using that money to finance operations all over the world, and when you get down to investigating the racketeering that is going on through this Marshall plan you will make the post office selling in Mississippi look like a Sunday-school picnic in comparison.

When you find what these long-nosed grafters have done to the American people in dealing out this Marshall plan money and robbing us in order to feather their own nests, there is going to be such a rising tide of resentment among the American people as this country has not seen for many a day.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. GRAHAM. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, I want to take just a few minutes of the time of the House to discuss rather briefly the reaction and repercussions of the Displaced Persons Act upon my community. I voted for this measure rather reluctantly and I want to say the effect has not been good. The people who have come to my district under authority of this act, the refugees who were brought in there, were brought in in good faith and they were given every opportunity to make good citizens of themselves. They have not done that. Most of them have stayed only long enough to take off for parts unknown and we do not know where they are today.

I know some of you will say those folks did not get a fair shake; they did not get the kind of a spot in the community that they wanted. But I say to you that those folks were given good homes and every opportunity to make good citizens. They simply took off and did not stay to carry out their obligations. Many of them frankly said to their sponsors, "I had no intention of doing anything other than I am doing now, that is to beat it. I just used you as a tool to get in here."

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Ohio.

Mr. JENKINS. That has been the situation in my district also.

Mr. HARVEY. I thank the gentleman.

Mr. DORN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from South Carolina.

Mr. DORN. That has been the situation in my district exactly. Plenty of them came there as farmers and stayed but a month or two. The good people of my State built homes for them and went to great expense to get them settled on a farm. Then they went off and left. Some of them came there as farmers who did not know a mule from a horse. I understand some of them are out preaching various kinds if ideologies. I think this bill certainly bears looking into before we admit anyone into this country.

Mr. HARVEY. I want to agree heartily with what the gentleman has had to say, because I know that is true. We set this up and permitted the United Nations organization, the IRO, to select these people. They were selected, I am sure, without the same standards of citizenship that we would expect of our own people. I think that the IRO, either unwittingly or intentionally, has been used as a tool to further the interests of people who came here particularly with the idea of carrying on the same subversive activities that they were trained to do before they came here.

I yield back the remainder of my time, Mr. Chairman.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, I think it is important for the committee to consider for a moment who are these DP's; they are the people who were with force taken from their countries because they possessed special skills and placed in slave labor camps for the purpose of assisting the Nazi war machine. They are the people who, because their countries have been taken over by the Communists, are afraid to return to their countries. These are the remaining thousands of the slave laborers who were not sent home after the camps were liberated.

I think you might be interested in view of the fact that the gentleman from Indiana spoke about how unsatisfactory the program was in his State to permit me to read to you a communication that came from Gov. Henry F. Schricker. He reports this:

For the most part the DP's are industrious and capable of performing the tasks they came to undertake. There has been very little criticism of the caliber of the DP's even though there have been a few cases of maladjustment.

He winds up his report by stating:

The DP's that have arrived in Indiana have been absorbed without a ripple on the surface of our economic and social life, and there is no question but that more of them can likewise be received to the advantage of the State.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HARVEY. May I inquire of the gentleman the date of the communication?

Mr. WALTER. It does not appear here, but this communication came after the investigation that was conducted by the Subcommittee on Immigration and Naturalization in 1949; so my guess is that this letter was received sometime in October of 1949.

Mr. HARVEY. I may say to the gentleman that I have a very high regard for Governor Schricker, and what I say, of course, is in contradiction to what the Governor has said. But I still sincerely believe in the developments that have happened since the gentleman received that communication certainly bear out the opinion in my district that I voiced here on the floor of the House.

Mr. WALTER. Our attention, of course, is always directed to the so-called atrocity cases. The gentleman from Ohio stated that the experience in his State was the same.

Gov. Frank J. Lausche has formulated his answer to the subcommittee inquiry, as follows. I quote him:

Not a single word of complaint or dissatisfaction has reached me against the displaced persons who have come to our State.

That is the experience in Ohio; that is the experience in most of the States of the Union. There have, of course, been cases where people have attempted to exploit these unfortunate victims of persecution. There were instances where in the State of Mississippi, I believe it was, the DP commission found it necessary to resettle a large number of people because an attempt was being made to pay them substandard wages in those cases.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Ohio.

Mr. JENKINS. I might say as to the statement of Governor Lausche that no complaints have come to him, that he has heard of no dissatisfaction, that he did not ask me, and he did not come down in my section. But what I said I know about, and I know it has been very unsatisfactory to the people who brought them over; and I know of people who spent a lot of time and money on them. A very glaring case was one where the DP's went away in the night without any appreciation, and they were later located hooking up with a little group of like-minded people.

As I understand the purpose of this bill is to extend this act for 6 months; and I understood the gentleman from New York [Mr. CELLER] to say that there would be no further extension asked after that.

Mr. WALTER. No.

Mr. CELLER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WALTER. Mr. Chairman, in that connection I would like to state to the gentleman from Ohio that it is my purpose to offer an amendment at the appropriate time which reads:

No such immigration visa shall be issued to eligible displaced persons or eligible displaced orphans unless the Commission initiated selection or processing of such person on or before July 31, 1951.

We are offering that amendment for the reason that unless the time within which visas can be processed is fixed, then conceivably there will be processing after a certain date which might give reason to insist on an extension of the program.

Mr. JENKINS. Then the number the gentleman is talking about will not be increased?

Mr. WALTER. Oh, no. There is no increase in the number.

Mr. JENKINS. Or in the limitations now fixed?

Mr. WALTER. No. We are fixing the time within which processing must be instituted.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman made a statement a moment ago that he certainly would not have made if he had known the facts.

Mr. WALTER. I am not given to making statements without knowing facts.

Mr. RANKIN. The gentleman does not know the facts this time because those displaced persons in Mississippi were given places out on the farm where other people were working, but because they did not want to work they ran away and, as the gentleman from Ohio said, went back to the cell.

Mr. WALTER. Oh, no.

Mr. RANKIN. They were treated like other people down there. Some of them kicked because their cattle were not given to them free of charge.

Mr. WALTER. They lived in a state of semipeonage and are now operating a village in which they are manufacturing large quantities of furniture, thereby increasing the wealth of the State of Mississippi.

Mr. RANKIN. They are not doing anything of the kind.

Mr. FELLOWS. Mr. Chairman, will the genlteman yield?

Mr. WALTER. I yield to the gentleman from Maine.

Mr. FELLOWS. The purpose of this bill is to extend the processing so that the great organization that has been established can complete a work 80 or 90 percent of which has already been completed?

Mr. WALTER. That is correct.

Mr. FELLOWS. Is it not also true that under the gentleman's amendment it will close as of the latter part of this year and that the only reason for this bill at all is because there are some 35,000 to be admitted?

Mr. WALTER. There are approximately 60,000 cases involving those that somebody in the United States has requested be permitted to come to their home where they will be provided a job, they will be provided a home, without displacing an American.

Let us see who is concerned about this. At the beginning of the program, the Jewish welfare organizations were well equipped to move. They had money, they had a splendid functioning organization and they moved immediately. The Catholic welfare organization was similarly situated. But the Protestant group had no experience in this field, with the result that we are concerned principally with 60,000, most of whom have assurances from either the National Lutheran Council or the Church World Services. Those assurances have already been given and but for the fact, as the chairman of the Committee on the Judiciary has pointed out, that there were these delays that were not anticipated, this program would have been completed by now. But who could have foreseen when we fixed the time limit on this act that the ships that were being used to transport these people would be diverted for the transportation of the Turkish and Greek armies to Korea? Who could have foreseen that the United States would have embarked on a great military program which contemplated the use of these facilities in Germany, thereby separating these people and making it more difficult to get word to them that their cases had been processed? But I think the best proof that we are not getting the type of people that some Members of this body talk about is the fact that there have only been 3 deportations in 251,000 cases of people brought to the United States.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. The gentleman has made some very serious remarks which reflect on the integrity and the reputation of the good people of the State of Mississippi.

Mr. WALTER. I certainly did not intend to.

Mr. WILLIAMS of Mississippi. Well, certainly they reflect on the people of Mississippi, and I do hope that the gentleman will elaborate on those remarks, gives us dates, gives us names and places, and the proof that these people have been mistreated in Mississippi, if he has any such proof to offer.

Mr. WALTER. Res ipsa loquitur.

Mr. WILLIAMS of Mississippi. The only dissatisfaction I ever heard of any Mississippian was of the DP who refused to work.

Mr. GRAHAM. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, in order to clarify this situation, as I understand the purpose of this bill it relates solely to the matter of the extension of the present bill to December 31, 1951. The Displaced Persons Commission appeared before the Committee on Immigration and Naturalization of the Committee on the Judiciary. Three gentlemen seated with me on the minority side here have heard their report. In our judgment they have done splendid work. There has not been any chance to complete this work. They need this extension, and if granted they have assured us that they will complete the work in good time.

Mr. Chairman, I would be derelict if I were not to mention at this time the splendid work done by our esteemed colleague the gentleman from Maine [Mr. FRANK FELLOWS], who back in 1948 spent many, many hours on the preparation of the original bill. That bill has since been amended. Great work also has been done by my other colleague the gentleman from New Jersey [Mr. CASE]. I, too, have contributed a small part. We are anxious to see this work done. We are not dealing with isolated instances of defection on the part of a small number of those who have come; we are dealing with a great major body that is seeking to complete the work, dealing with people who may yet be in camps, to reduce the expense, and bring to quick fruition and completion this very valuable work that needs to be done.

Mr. JENKINS. Mr. Chairman, will the gentleman yield.

Mr. GRAHAM. I yield to the gentleman from Ohio.

Mr. JENKINS. I did not get quite a clear answer from the other gentleman. He said something about there would be another recanvas or between now and the end of July there was going to be some resurvey, or something of that kind. What I am interested in is this: Does this legislation, when it terminates in 6 months, terminate everybody who is eligible or thinks he is eligible to come in?

Mr. GRAHAM. It does, in my understanding.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Chairman, I have asked for this time because I feel very strongly on this legislation. I regret very much that some very, very strong remarks have been made during this debate and before it commenced, remarks which are not germane to the issue.

Let me say first of all that I do not believe there is any Member of this House who more violently abhors communism than I do. I fought 2 years against the Communists after I finished my service in the United States Army in World War I, when the Communists first tried to override Europe. I have devoted practically all my life to fighting Communists in this country. I am a Member of this House only because of that issue. I defeated a gentleman who was in this House for 16 years, with whom the gentleman from Mississippi often fought and debated, only because I thought he was too close to the Marcantonio line. So what I say I hope will not be constructed as being said by one who favors communism.

I should like to clarify some things that probably are not clear in the minds of some of you.

Let me reassure you by telling you first some of the things this bill does not do.

First. It does not increase, by one, the numbers of displaced persons originally authorized by the 1950 act to be admitted to this country.

Second. It does not extend the life of the Displaced Persons Commission since it continues until August 31, 1952, under the present law.

Third. It does not extend the date line for eligibility in any case, and does not extend eligibility to any new individuals or groups of individuals.

Fourth. It does not change the high standards and requirements which the displaced persons must meet to be allowed entry to this country.

It does do what some of the Members have asked about it; does end once and for all the displaced-persons program on December 31, 1951.

What the bill merely does is to give 6 more months to the Commission to complete one phase of its job already authorized by Congress and already well on its way to completion.

Why was not the job complete? It has already been mentioned here. Some of the reasons are very good ones.

The United States Army's transfer of camps and resettlement centers, resignations of key personnel in Europe because of war jitters, interpretations of section 22 of the Internal Security Act, administrative delays due to the 1950 amendments, shipping problems because of military needs in Korea—these were the main delaying factors.

Let me say something about what the Displaced Persons Act has accomplished to date. At the time it was adopted there were some serious doubts expressed by many in and out of Congress as to what the entry of this over quarter million people would do to our national economy, and as to the type of people that we would get under the act.

Well, 3 years have passed, or will soon. Our national economy has not suffered a bit by their entry and the noteworthy thing is that these new immigrants have proven to be very industrious, law-abiding, loyal, and fitting well into the pattern of our democracy.

Actually, this should not be surprising. These refugees were homeless and without a country because of their fervent love of liberty and democracy; they were and still are thoroughly screened by numerous agencies, the FBI, the Immigration and Naturalization Service, the Public Health Service, the IRO, and the Displaced Persons Commission personnel. They are really the best material available in the entire world for good American citizenship, because they have lost their country, because of their fervent love of American democracy as we know it.

Much has been said here and in the Senate as to the morale of the European nations. The displaced-persons program has been one of the most vital and effective programs in our foreign policy. It has given the peoples of Europe positive proof that United States is still the haven and hope of all freedom-loving and persecuted people of the world. The displaced person soon after arriving here tells his friends and relatives in Europe of the real America and disproves the calumnies spread about us by our enemies. It has done more to spread good will than any other phase of our national-defense program. And at the same time it has strengthened and invigorated our domestic economy and national defense.

It would be tragic and unexplainable if we were at this moment to drop the program when it is nearing completion and disappoint those to whom we have assured a helping hand.

I sincerely hope this bill will get an overwhelming vote of support in this House.

Mr. GRAHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I cannot sit idly by here without making some observation as to my experience with this act. I voted for it 2 years ago. I intend to vote for it again today. I do that because of the experience I have had in the State of Minnesota. We have a very diversified set-up into which we can fit almost any type of worker. When this first started in Minnesota, as the gentleman from Pennsylvania [Mr. WALTER] says, there were a number of organizations which were all set and ready to pick up their part of the placement of these people assigned to the various parts of Minnesota. In my district, and I represent both an industrial, as well as an agricultural area, I have heard of no complaints in the last year and a half regarding this program in the State of Minnesota. It is true, of course, that you can find those spots on which you can lay a great deal of emphasis and place a great deal of condemnation on the whole program. That happened in my district. I had some of the unions in my district, which is highly organized, have a feeling of a little fear that some of these displaced persons, and many of them have very artful trades, many of them are very experienced tradesmen, as I was saying some of the unions had a little fear that these skilled tradesmen would enter into competition with them. Some of them did drift down into the industrial area of Minneapolis, St. Paul, and Duluth seeking employment in trades where the return was greater of course and where they could be absorbed. But that is all that there was. I think in the city of Minneapolis we have at least 90 to 150 of these displaced persons now working in the trades. Some of them are very excellent bricklayers and carpenters and so forth, and they have turned out very fine. I have not had a complaint in the trade-union movement about the question of these people moving in and displacing our American workers. That has all died out. I want to again say I support this bill because it will at least give the program the finishing touches so that we can complete the program.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GRAHAM. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ALLEN].

SHORTAGE OF SHIPS

Mr. ALLEN of California. Mr. Chairman, I want to speak very briefly upon an issue which is collateral to the issue before the committee at this time. One of the reasons given for requiring the extension of time provided for in this bill is that it is found that there is a shortage of shipping in which to transport some of these displaced persons. The shipping required in this sort of movement is not of unusual amount. The shipping which was expected to be available was taken for the movement of troops and suplies to Korea. I call attention to the fact that the Korean military operation, as a military operation, does not aproach the size of an all-out engagement. I point to these two facts to indicate to the House that the shipping which we presently have which is immediately available does not go beyond what we use for normal, current, peacetime needs. A few days ago the House considered the appropriation bill for the independent offices. In that bill there were provisions designed to limit and possibly cut down the amount of American shipping in operation during the next few months. There were other provisions which will make it more difficult to get American capital into the shipping business. Possibly there should have been more debate upon the subject, but it was not an opportune time to talk upon such a subject late on last Friday afternoon. I call the situation to the attention of the House now in the hope that when the Committee on Merchant Marine and Fisheries on some future occasion comes before you urging some assistance to the American merchant marine, you will bear in mind this additional bit of evidence that American-flag shipping is operating in short supply for any emergency situation, and that it takes time to get additional ships in operation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GRAHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.].

Mr. HUGH D. SCOTT, JR. Mr. Chairman, I feel that any objections which anyone might have had to this bill have been thoroughly obviated by the excellent explanations which we have had of the bill, particularly that of my esteemed and distinguished colleague, the gentleman from Pennsylvania, [Mr. GRAHAM]. I am happy to be able to support the bill and would like to point out to the House that by far the greater percentage of the persons involved in this bill are in three groups. First, those Polish war veterans who fought so gallantly for the allies during World War II, second, the Greek refugees. The Greeks, too, have been of notable and gallant assistance to the free nations in the Korean War.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield.

Mr. WALTER. I call the attention of the gentleman to the fact that of the 18,000 brave soldiers that comprised General Anders' army but about 3,000 have been processed, due largely to the fact that the Internal Security Act was interpreted in the manner in which it was. Unless the act is extended, these people, all of whom have friends and relatives in the United States who indicated a desire to have them, will not be able to leave England where they have been given refuge.

Mr. HUGH D. SCOTT, JR. I thank the gentleman. That Polish group of fighting allies of ours in World War II was part of my particular concern in this bill.

The third great group affected in this bill are the Baltic refugees. Recently I had an opportunity to attend a large gathering of about a thousand Lithuanian Americans in my city. As I visited with them and heard their point of view, I thought to myself: anyone who had an opportunity to see these Americans—some here a long time and some more recent Americans—ought to have no doubt of the quality of their Americanism, which is of the highest. The displaced persons' program has strengthened our Nation and made us better able to reach the minds of the people in the lands beyond the seas.

I am anxious to see their families made whole, the missing members restored to them, the necessary steps taken to complete this program, and I am very glad to support this bill.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GRAHAM. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I feel I would be inconsistent in my position if I did not support this legislation. As I view the situation now, some 2 years ago we passed the parent bill, and any repercussions that we might have received from that or any dangers that might be lurking in this legislation were all disposed of then.

The bill before the House today is a matter that is incidental to that legislation. It is simply here for winding up a job that was originally undertaken some 2 years ago. Therefore I cannot see the consistency of any argument now that points out the dangers that we might run into after we have operated under this plan for nearly 2 years. I think we should follow the suggestions made here and wind up this particular legislation in a way that will avoid the most confusion and bring about the greatest good.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAHAM. Mr. Chairman, I yield 3 minutes to the gentleman from Maine [Mr. FELLOWS], the author of the original displaced persons bill.

Mr. FELLOWS. Mr. Chairman, I have some memories about displaced persons. In 1948 the original bill was passed. That was the bill I introduced. It had to do with some 205,000 or possibly 220,000 people. The reason It was sold to me or that I was able to undertake sponsorship of that bill was largely because it was a quota proposition. Every person who came in under this bill or who has come in under this bill is a quota immigrant. That means that if we had not had this legislation the same number would likely have come in in any event.

Many objections have been voiced here. Those objections should have been voiced at the time the original bill was before the House. There is not the slightest reason I can think of why this particular measure should not be passed in order that this whole affair be settled and settled finally.

I want to say this about these men who are operating under this act: I think they have done a job that time here does not permit me sufficiently to praise. It is a fine organization. It has done even better than I had hoped it could do. When we speak about certain displaced persons not being all they should be, what would you expect out of 247,000 persons who would have come to America in place of these? These people have been screened five times more efficiently than would have been the case if the bill had not been passed.

When you talk about displaced persons, my district was not at all enthusiastic about it. I had very few people who would be intimately affected by this bill or any displaced persons bill. My people I do not think wanted it at all, but the fact was that it was a program that could be sold to any thinking person.

So this measure that is before us here should become a law. There is no valid objection that I can think of that can be raised now; objection should have been interposed last year, the year before, or in 1948, when I stood on this floor for two full days and struggled with it.

I shall vote for this extension of time wholeheartedly.

Mr REED of Illinois. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I shall not need more than 1 minute.

Mr. Chairman, I shall support this bill. My only purpose in asking for any time at all on this measure it to pay a well-merited tribute to Messrs. Rosenfeld, O'Connor, and Gibson, the three men who comprise the Displaced Persons Commission.

It has been what I considered my duty from time to time to be critical of this, that, or the other bureaucrat or governmental department. It seems to me, however, that the Displaced Persons Commission in their administration of this law has set a very high standard which might well be emulated by other agencies of government. When a group of administrators do a job such as they have done, I feel they should be given the united support of Members of Congress and accorded the recognition which they have richly earned by their painstaking, able and energetic efforts to carry out in every detail the intent of Congress as expressed in this legislation.

Mr. GRAHAM. Mr. Chairman, there are no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 3 (a) of the Displaced Persons Act of 1948, as amended, be amended to read as follows:

"SEC. 3. (a) During the three and one-half fiscal years beginning July 1, 1948, and ending December 31, 1951, eligible displaced persons and eligible displaced orphans and persons defined in subdivisions (2), (3), and (4) of subsection (b) of this section seeking to enter the United States as immigrants may be issued immigration visas without regard to quota limitations for those years as provided by subsection (c) of this section: *Provided*, That not more than 341,000 such visas shall be issued under this act, as amended, including such visas heretofore issued under the Displaced Persons Act of 1948; and it shall be the duty of the Secretary of State to procure the cooperation of other nations, particularly the members of the International Refugee Organization, in the solution of the displaced persons problem by their accepting for resettlement a relative number of displaced persons, and to expedite the closing of the camps and terminate the emergency."

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Page 2, after line 4, insert "*Provided, further*, That no such immigration visa shall be issued to eligible displaced persons or eligible displaced orphans unless the Commission initiated the selection or processing of such person on or before July 31, 1951."

Mr. WALTER. Mr. Chairman, the purpose of this amendment is to make it abundantly clear that it is the intention, the firm intention, of the Congress to terminate this program at the end of this year. This amendment will make it impossible for the Commission to receive any applications or assurances, or to initiate the processes which ultimately result in the issuance of the visa after July 31, 1951.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. GRAHAM. And is it not a fact that the Commission itself has requested that this be done in order that the Commission may be able to finish the program and they are anxious to bring it to completion?

Mr. WALTER. Yes; that is the fact.

LET'S SAVE AMERICA FOR AMERICANS

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while you are searching the records that the gentleman from New York [Mr. JAVITS] called for, I want you to go back and search the records of the Eightieth and Eighty-first Congresses, and find how many times he voted against funds for the Committee on Un-American Activities when that committee was exposing the enemies within our gates; and how often he voted against citing those enemies of our country for contempt of Congress, when they refused to answer questions concerning their loyalty.

The gentleman from Pennsylvania [Mr. WALTER] went on to try to tell you that these displaced persons established an industrial community in Mississippi. He is the only man I ever heard of who has seen or heard of such a community. Some of these displaced persons that they placed on the farms got mad because they were requested to pay for the cows they had bought. They thought they ought to be given those cows.

Some more of them turned in a complaint about the hard work they were required to do. They were not working any harder than the other people in the community—not as hard. The farmers, whites, Negroes and all, were out in the fields at work. They had to work to make a crop. But these displaced persons turned in a complaint, and someone was sent down to make an investigation. The grass was about 6 inches high in their fields, the sun was shining beautifully, everybody else in the community was out in the field working. These investigators got to looking around for these fellows and found them at home asleep in the middle of the afternoon. That is the kind of work they were doing.

Why do you want to get around our immigration laws? If you want to bring in people here, why not bring in people from those countries that settled this continent in the beginning? Why get around it, by all this subterfuge, and bring in people who are not going to do this country any good? There is no telling the number of them who have been slipped in here.

Look at the spies they have convicted, and I want the gentleman from New York [Mr. JAVITS] to call the roll and pronounce the names of them some day, spies who were in here stealing our atomic secrets and taking them to our avowed enemies.

This is still America; and the American people are looking to us to protect it and keep it American. You talk about this crowd of bureaucrats you have to pass on this. It makes me think of the time they caught a horse thief out in the Southwest. When they went to try him they got 12 of his cohorts on that jury. The jury brought in a verdict that read as follows: "We, the jury, find the man who stole the horse not guilty."

There is one thing about this MacArthur row that is doing good. It is at least waking the American people up as to who is trying to run this Government, and who is trying to wreck it. When General MacArthur came in here I was reminded of what a Negro preacher down at home said about his congregation. "Lord," he said, "whenever I gits my congregation on shoutin' ground, all I has to do is to stand up in the pulpit and holler."

I said that all General MacArthur had to do was to stand up on that rostrum and "holler" and he would be applauded from one end of the country to the other, because of the danger the average American sees in the trend of things, of people who pretend to be representing us on the Federal payroll, bringing into this country people who are dedicated to its destruction.

The American people are getting tired of seeing their boys sacrificed in useless wars on foreign soil. We have just gone through the most useless war in history—World War II. Our boys won the fight on land, in the air, and on the ocean. Then we had Alger Hiss. By the way, I wonder if we got Mr. JAVITS' vote to cite Alger Hiss who had his gang on the payroll? Some of them are still on the payroll in high places. They sold us out at Yalta, turned the victory over to the worst enemy our Christian civilization has ever known, and then set up the so-called United Nations—that Tower of Babel that is out to destroy this Government. You talk about calling on that bunch up there to do anything. I would only call on them to do one thing, and that would be to fold up and get out of here. The quicker we get out of it the better off we are going to be.

You do not have to wait until the next elections. The people are going to take you on in the primaries, if you have one. They are going to ask you some questions. It is going to be like the parrot and the preacher down in Pennsylvania, and I hope the gentleman from Pennsylvania remembers this one.

The preacher had a pet parrot that he had taught to say some very beautiful things, quote a little Scripture and probably a few words of the Lord's Prayer. One night some drunken boys got hold of him, took him down the street, and swapped him for a parrot owned by a man who ran a speakeasy.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. This man had one that looked just like the preacher's parrot. When the preacher came out the next morning, his parrot was cursing a blue streak. He thought his bird had fallen from grace. He commenced trying to coax him back to the path of righteousness. The more he talked the worse the old bird got. Finally the preacher lost his temper and jerked the bird's cage off the rack and began to swing it over and over amidst a lot of noise and racket, until finally the bird ceased squawking entirely. He threw the cage down and the old bird toppled over apparently dead. Then he saw what a foolish thing he had done. He began to get repentant. He went and got a bucket of water and poured it on him, and almost immediately he began to show signs of life. He would stretch his wings and neck and legs, and finally he got up, staggered across the cage a time or two, shook the water off himself, looked up and saw the preacher standing there high and dry. He said, "Where in the h—— was you at during the storm?"

The American people are going to ask you next summer where you "were at" when this country was being destroyed from within.

Let us go back to fundamentals and save America for the Americans.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no stories to tell; I wish I had, some like the gentleman from Mississippi. I thank the gentleman, the chairman of the committee, for the silent applause.

I was against bringing in these displaced persons in the beginning, because we had some in our community. The result was not encouraging. One case was where a farmer, or one supposed to be farmer, was brought in—he and his wife and a couple of children—and our kindly local farmer let him have the use of a cow until when one day the displaced person went to town and found that we were on a 40-hour week in this country, that is, factory workers were. Then he asked the farmer to take care of the cow, milk the cow and keep the milk cool while he was away from Friday until he came back Monday. That was just one incident, perhaps not typical. Having so much respect for my colleagues the gentleman from Pennsylvania [Mr. GRAHAM] and the gentleman from Maine [Mr. FELLOWS], I am forced to read and give consideration to their views before voting on the bill.

We do not need to weep for these people from abroad who are not just all they ought to be but who come in under this legislation. Under permission to revise and extend my remarks, having received permission earlier today in the House, I will quote an article which tells something about the scandalous years in Washington these days, adding to it a little bit of something about the influence of the White House in letting the so-called Capone gangsters out of jail.

KNOW THE TRUMAN ADMINISTRATION

Mr. Chairman, because, over the years, I have repeatedly and vigorously, in plain understandable words, called attention to the lack of common honesty, of political morality of the Truman administration, I have taken a great deal of bitter unjustifiable criticism. Some of my Republican friends have thought and have told me that it would be better to say less, not quite so often oppose so-called New Deal—more recently Fair Deal—policies.

New Deal pink- and red-tinged columnists and radio commentators who apparently have no confidence, no faith whatever in the principles enunciated in our Constitution, who would disregard natural laws and who apparently insist that we, as a Nation, are so weak that we are dependent upon other nations—first one, then another, for our continued national existence and the welfare of our people, have time and again, especially in election years, done their utmost to convince the people of the district that I was unworthy of their support because I was anti-New Deal. That these smear artists have failed in their campaigns of hate and vituperation is due, not to any special merit possessed by me but to the good sense and sound judgment of the people of the district who not only are able to read, but are fully competent to use their own common sense and good judgment to see through the fallacies of a program which called upon the Federal Government—a Government which has not a dollar of its own except what it takes out of the taxpayers pocket—to give the people all those things which they do not have either through lack of opportunity or lack of energy to earn for themselves.

It is therefore encouraging to know that more and more people are learning just how unreliable and lacking in good faith and common decency the present administration has become.

In Look magazine of May 22 next there will appear an article by Fletcher Knebel and Jack Wilson of Look's Washington bureau. That article is captioned, according to the advance sheets received yesterday—Sunday, May 6, a good day for repentance and confession—"The scandalous years."

This article makes very brief reference to some of the activities of the Truman administration.

Among other statements, it makes reference to the activities of one Paul Dillon, Harry Truman's friend who, according to his own testimony, given before a subcommittee of the House Committee on Expenditures in the Executive Departments, bragged—and I use the word advisedly—of his friendship with Mr. Truman. Among other things, Dillon testified that he twice managed Mr. Truman's campaign when he was a candidate for Senator. Dillon did not tell how the primary nomination was stolen by the Pendergast-Truman machine from Jack Cochran, long a member of the House—an honored, patriotic Democrat, respected by every Member of the House who knew him. Nor does this article tell, though Dillon did, that he was always welcome at the White House, needed no advance announcement of his intentions to visit Mr. Truman and that in aiding in procuring a parole for the four Chicago gangsters he used his influence with the parole board. Nor does the article tell that Dillon testified that he received $10,000 for his services. Nor does the article mention that Dillon, at one time, found it expedient to go to another State where he remained for several years in order to avoid inquiry in his home State into his conduct as an attorney.

This article from the Look does state that the wires pulled by the four gangsters—Louis Campagna, Paul Ricci, Philip D'Andrea and Charles (Cherry Nose) Gioe—can be traced through Dillon and Hughes to the White House and the Justice Department.

The article refers to Maury Hughes, of Dallas, boyhood friend of the then Attorney General, Tom Clark, who received $15,000 for his efforts in the case. A small fee, by the way, when the results achieved by Hughes are considered.

The article, being brief, fails to mention the fact that before these four gangsters could be paroled it was necessary to obtain the dismissal of a still-pending indictment against them by contacting the Justice Department and Tom Clark, then Attorney General.

The indictment pending in New York was dismissed, and then the parole was granted. Hughes testified that a man unknown to him handed him $1,000 in Chicago as a retainer in the case and that later a stranger in the city of New York gave him 14 additional $1,000 bills for his services in connection with the case. The committee investigating these paroles was unable to learn the identity of the gentleman who paid Mr. Hughes nor the identity of those who contributed the funds necessary to settle the tax case against Louie Campagna.

The Chicago attorney for Campagna testified that individuals came into his office, laid money—thousands of dollars—on the desk without identifying themselves, merely stating that it was "for Louie." All efforts of the committee to inquire into the income-tax returns of these gangsters were stymied by Washington, where the necessary approval of President Truman could not be obtained. Only the President can make income returns available to such committees of inquiry, prosecutors, courts, and so forth. Thus, the committee never was able to uncover the facts in connection with this crooked deal.

The whole deal smells to high heaven.

Because this article to be published in Look tells a part—but not all—of the story of The Scandalous Years in Washington since the Truman administration came to power, with the permission of the House, I will read it. But, first, permit me to read from the article, A Calendar of Political Morals. I read:

A CALENDAR OF POLITICAL MORALS

1945

April: On F. D. R. funeral train, Pauley talks about oil.

May: President Truman begins pardoning Pendergast ballot thieves. Vaughan maneuvers Chicago friend abroad on perfume business. Dillon, ex-Truman campaign manager, asks prison transfer for mobsters.

June: Vaughan's friend brings back $53,405 in perfume. Freezers sent to Vaughan, Connelly, Vardaman, and Mrs. Truman. Messall, ex-Truman secretary, help black-market firm get corn.

July: Vaughan clears perfume executives for priority space to Europe. Maragon tries to smuggle in perfume.

August: Mobsters get prison transfers.

September: Truman frees Indiana gambler.

1945–46

October: Truman pardons Schenck.

November: Vaughan and Pauley help Maragon onto United States Greece mission.

December: Truman pays Pendergast Club dues. Freezer put in White House.

January: More gift freezers arrive. Truman names Pauley to Navy post, exploding oil scandal. Ickes resigns.

February: California housing official collects from Federal employees.

March: Maragon, fired from mission, gives Democrats $300 donation.

April: Iowa gambler wins liquor permit, as known gamblers find doors open to liquor business.

August: Pendergast and Binaggio forces steal Kansas City primary for Truman candidate.

November: Vaughan [illegible] Agriculture Department for [illegible] firm.

1947

March: Gambler Erickson gives $2,500 to Truman campaign. Commerce Department officer involved in export-license scandal.

April: Cleveland's Democratic leader is a lawyer in race wire-service deal.

May: Internal Revenue Department lets Capone mobsters get by without disclosing all sources of income. Kansas City grand jury finds Truman forces stole primary election. Vote-fraud evidence taken from Jackson County courthouse.

August: Four Capone gangsters paroled through Washington influence.

September: Graham, Pauley, 800 other Federal employees in commodity market as Truman denounces speculators.

October: Vaughn helps race track get scarce building materials.

November: Truman frees Curley from jail.

1948

April: Democratic leader seeks to halt Youngstown, Ohio, racketeer's deportation. Reno revenue collector helps gambler with tax return.

July: Vaughn obtains another passport for perfume executive-friend.

September: Erickson's lieutenant heads Truman treasury in Miami. Binaggio raises campaign fund from gamblers. Postal official starts stamp racket scheme. Bilks Joe Adonis.

October: Youngstown party boss, friend of rackets, dies with $125,000 in cash box.

November: Edward Prichard, administration protégé, stuffs Kentucky ballot box.

December: Senate committee hits influence racket in export licenses.

1949

March: Murder of Wolf Riman, Kansas City slot-machine operator, liquor distributor, and deputy sheriff.

May: RFC lends money to business concern in which Florida sheriff, gamblers' friend, has large interest. The company then promptly goes bankrupt. James Hunt peddles his influence in Washington at a fee of 5 percent. Two top Army officers make use of their Washington influence.

September: RFC enmeshed in Lustron Corp. manipulations with $37,500,000 of taxpayers' money. Binaggio helps arrange dinner honoring National Chairman Boyle.

October: RFC official resigns to work with RFC-active law firm. RFC lends money to Reno gambling hotel.

1950

February: Stamp racket explodes, postal official confesses.

April: Binaggio and Gargotta slain in Kansas City Democratic Club. Maragon convicted of perjury. Truman salutes crime committee, pardons Curley.

July: Boyle's introduction used in attempt to work RFC deal for group with criminal records.

September: Shenker, gamblers' lawyer, named to Democratic finance group. O'Dwyer becomes Ambassador to Mexico, escapes police scandal. White House stenographer received $9,500 "RFC" mink coat.

October: Kefauver committee bares link between underworld and Chicago politicians.

November: California Crime Commission reports tax deals with racketeers.

December: Truman commutes Prichard's sentence.

1951

January: Postal official sentenced for stamp scheme.

February: James Hunt is indicted. Internal Revenue Commissioner fires San Francisco deputies. Mississippi Democrat ousted in Government job-selling racket.

March: Kefauver committee attacks favored treatment for gamblers by Internal Revenue Bureau.

Mr. Speaker, I now read the article:

[From Look of May 22, 1951]

THE SCANDALOUS YEARS

(By Fletcher Knebel and Jack Wilson, Look's Washington bureau [1])

(Washington's political scandals, breeding on friendships, favoritism and frauds, have made shocking news, quickly forgotten. The record stamps these as years of immorality, corruption—the shameful era of Pendergastism in Washington.)

President Truman: "My people are honorable—all of them."

Political morality in Washington has sunk to the lowest depth in a quarter of a century:

Four members of the White House staff have been implicated in undercover deals since April, 1945.

Two friends of the White House have been convicted of fraud, a third indicted.

Fourteen high Federal officials have been exposed tugging at the golden skein of influence.

Nine members of the administration family have accepted valuable gifts, including a mink coat.

Ten Federal agencies have been tangled in shadowy manipulations.

Almost 900 Federal employees have been caught trying to improve their private fortunes through their positions on the public payroll.

Out from the Nation's Capital, the twisted threads of influence stretch through the land, pulled taut by recipients of Government loans, by local political bosses and by powers of the underworld.

Here—for the first time—is the 6-year story of the underbelly of the Truman administration. This is the documented day-by-day history of Pendergastism in Washington, as now spread on the record by congressional investigating committees.

The story begins on Sunday, April 15, 1945, on the special train bearing President Truman back from the funeral of Franklin D. Roosevelt at Hyde Park.

As the train rolled southward, the new administration went to work. In a rear car, Edwin W. Pauley, rich California oil promoter and treasurer of the Democratic National Committee, talked with Secretary of the Interior Harold L. Ickes. As Ickes reported it later, Pauley wanted him to block Federal plans to take away the oil-rich tidelands from the States. That night, Ickes wrote in his diary: "This is the rawest proposition that has ever been made to me. I don't intend to smear my record on oil at this stage of the game."

THE QUALITY OF MERCY IS STRAINED

When the conversation was made public, Pauley claimed Ickes misquoted him. He admitted they had talked of oil.

In Washington a few days later after the funeral, President Truman appointed Pauley United States representative on the Allied Reparations Commission with the rank of Ambassador.

President Truman began issuing pardons to fellow workers in the Pendergast machine before he had been in office a month. Sixty-three had been convicted of vote fraud in the 1936 elections in Jackson County, Mo., home county of President Truman and Boss Tom Pendergast. Beginning with James G. Gildea on May 5, President Truman pardoned 15 ballot thieves within a year, restoring their civil rights and clearing them for future political activity. The White House did not make any announcement concerning the pardons.

On May 19, Paul Dillon, St. Louis campaign manager for Mr. Truman's Senate race and ex-errand boy for Tom Pendergast, went to Washington. He wanted Paul (The Waiter) Ricca and Louis (Little New York) Campagna, two notorious Chicago Capone mobsters serving 10-year prison terms, transferred from Atlanta penitentiary to Leavenworth. Leavenworth was closer to the Chicago mob's base of operations. Dillon says he "discussed politics" with Frank Loveland, assistant director of the Federal Bureau of Prisons. Loveland said a transfer was not possible immediately, but suggested it might be proper sometime in the future. Ricca and Campagna were transferred that summer despite objections of the Atlanta warden.

Other Federal prisoners received favors directly from the White House. James J. Gavin, partner in the Greyhound gambling joint in Jeffersonville, Ind., was serving a 5-year term for dodging income taxes on horse-race winnings. James Gavin's brother, Willie, tossed $1,000 into the Democratic national campaign fund. Then he visited William M. Boyle, Jr., Mr. Truman's former secretary who was assistant to National Democratic Chairman Robert Hannegan. Boyle said he'd do what he could. Others also developed an interest and asked the Justice Department to give the case careful consideration.

Harry E. (Cueball) Whitney, a Pendergast wheel horse and World War I Battery D mate of the President, talked to White House Secretary Matthew Connelly about Gavin. On September 13, President Truman quietly commuted Gavin's prison sentence. A week later, 4 months before he was eligible for parole, Gavin was free. Attorney General Tom C. Clark said he had been a "good prisoner" and that a large number of respected persons had requested that he be released.

The following month, the President pardoned Joseph M. Schenck, another heavy contributor to the party chest. The movie magnate had served 1 year of a 3-year term for income-tax evasion.

Another pattern of influence began to develop before Harry Truman had been President 3 weeks: Brig. Gen. Harry H. Vaughan, an old Missouri field artillery pal of the President since 1918 and now his military aide, started operating.

Like many businessmen, David A. Bennett, president of Albert Verley & Co., a Chicago perfume concern, wanted to go to Europe. Unlike most, he knew Vaughan. On May 1, 1945, on White House stationery, Vaughan wrote a letter saying Bennett was "entitled to the courtesies of American officials abroad." The war was still being fought, but Bennett got the priority he needed to fly to Europe and back. When he returned June 6, he declared two satchels of perfume, valued by customs authorities at $53,405.

The day Bennett landed in New York, a frozen-food unit was shipped to Vaughan's home as a gift. Another was sent to Mrs. Truman at Independence, Mo. A third went to Matthew Connelly and a fourth to Capt. James K. Vardaman, the President's naval aide, now a member of the Federal Reserve Board.

THE SAGA OF A LOVABLE GUY

When news of the gift freezers leaked out, Vaughan said they were factory rejects. The manufacturer indignantly denied this. Bennett had paid $390 apiece for them.

[1] Look's Washington team spent weeks digging this report out of the present administration's grim record. Both Fletcher Knebel and Jack Wilson have been Washington correspondents since before this era of scandal began. Knebel, born in Dayton and Phi Beta Kappa graduate of Miami (Ohio) University, has been a newspaperman since 1934, covering the Capital since 1937. Wilson, graduate of the University of Minnesota, has been a reporter since 1935 in Minneapolis, joining Look's Washington bureau in 1944.

A second Verley company delegation took off in high-priority airplane space for Europe July 14. It included John F. Maragon, former Kansas City bootblack whom Vaughan called a lovable guy.

Landing in New York July 31, Maragon had an argument with customs officials over a package he was carrying. Maragon said it contained champagne and he waved a White House pass at the inspectors. They opened the bundle anyway—and found two tins of perfume oil worth about $2,300.

Three days after this smuggling attempt, Vaughan wrote a note to the State Department asking that Maragon again be allowed to go to Europe on perfume business. Vaughan told the Passport Bureau that "the President is personally interested in Maragon's trip to Italy." Maragon gained special permission to travel without a military permit and to ship, by air, 348 pounds of perfume oil.

FRIENDS OF THE WHITE HOUSE FAMILY BEGAN WINNING FAVORS IMMEDIATELY

In November, Maragon was back at the White House with his hand out. He wanted a State Department job with the American election commission to Greece. Vaughan got it for him; $5,600 a year plus $15 a day for expenses. Maragon continued to draw $1,000 a month and expenses from the Verley company. Pauley helped by writing Henry F. Grady, head of the mission, that "Johnny Maragon * * * is not only a good friend of mine but also of the President's."

While Maragon was in Greece, in December 1945, Bennett shipped a fifth freezer, a $520 model, to Vaughan, who installed it in the White House staff restaurant.

Maragon was a diplomat for 4 months. The State Department fired him February 28, 1946. Grady said Maragon "was making himself a nuisance." But Maragon wasn't angry. One of his first acts when he returned to Washington was to buy $300 worth of tickets to the Democratic Jackson Day dinner. He charged them to the Verley company. A few weeks later, Vaughan was helping Maragon and Bennett rush passports for another trip.

About this time, Victor R. Messall, who, like Vaughan, was a former secretary of Mr. Truman's in the Senate, was trying to make his Missouri friendships pay off. David G. Lubben, of New York, sought an OPA sugar quota for his firm, which was operated in connection with Frank Livorsi, a convicted narcotics peddler. Some of the firm's employees regarded Frank Costello, underworld premier, as their real boss. Lubben later testified he paid Messall $1,000 to try to get an OPA sugar quota. Messall denied this but admitted one of his employees had tried to get Lubben some additional corn. Messall said he "probably signed the letter" concerning additional corn allocations, but contended it was written by the employee and he could not recall the circumstances.

As 1945 ended, any doubts that Pendergastism had moved to Washington were dispelled. President Truman wrote to Jim Pendergast, Boss Tom's nephew and heir, on December 7:

"Dear Jim: I am enclosing you check for $6 in payment of my Jackson Democratic club dues. I hope the outfit is still going good. Sincerely yours, Harry."

The new year brought more of the same. On January 17, Bennett shipped a sixth freezer gift, another $520 model, to Secretary of the Treasury Fred M. Vinson, now Chief Justice of the United States Supreme Court. A seventh freezer went to Director of Reconversion John W. Snyder, now Secretary of the Treasury. Snyder rejected the gift.

THE "OLD CURMUDGEON" ERUPTS

The raw deal that worried Ickes at the start of the new administration burst into public view that January. President Truman nominated Pauley to be Under Secretary of the Navy. The Under Secretary administers the Navy's oil reserves. Pauley was a private oil operator. The Senate noted the coincidence and ordered hearings.

Ickes cut loose and told about the proposition Pauley had made on the funeral train. The "Old Curmudgeon" also said Pauley earlier had offered to tap California oilmen for $300,000 in the 1944 campaign if the administration would forget about tidelands.

Ickes said that before he testified he talked with Mr. Truman, who told him: "Tell the truth, but be as gentle as you can with Ed."

President Truman defended Pauley's reputation as unscathed, but the Senate refused support and the nomination was withdrawn. Ickes, quitting the Cabinet in a flaming rage, dared Attorney General Clark to set a grand jury on Pauley. The challenge was ignored.

The "courthouse gang" ethics of high officials in Washington were contagious. In February 1946, John A. Arvin, Los Angeles and San Diego area Federal housing manager, hit 50 Federal workers for $25 Jackson Day dinner tickets. The money went into the 1946 campaign fund despite the Hatch Act.

Arvin used a Government Cadillac and collected $1,190 for repairs in 1 year. He operated a camp stocked with Government blankets and cots. His shotguns were cleaned by housing employees on Government time.

In April, Deputy Commissioner Stewart Berkshire of the Federal Alcohol Tax Unit, overruled his own field office and issued a Federal liquor license to Lew Farrell, a Des Moines, Iowa, gambler with a gun-toting record. There is a law that is supposed to bar such men from the liquor business.

In star-chamber sessions, closed to the public, the ATU had granted scores of liquor licenses to known hoodlums and mobsters. Joe Fusco, a beer trader and friend of Al Capone in Chicago's roaring twenties, has fared so well since the war that he now controls a vast liquor business and has hired several ATU agents away from the Government.

The President went out to vote in the Kansas City primary in August 1946. He was determined to lick Representative Roger Slaughter, an anti-Fair Dealer, and nominate Enos Axtell for Congress. Mr. Truman was photographed with Boss Jim Pendergast, but it was Boss Charles Binaggio who delivered the bacon.

Binaggio, racketeer, gambler, ex-bootlegger, threw in with Pendergast to nominate Axtell. Former Missouri Attorney General Roy McKittrick later said that Binaggio in that election not only voted them from the grave but "from England and France."

Slaughter was buried under the avalanche of phony ballots. The steal was so obvious that Attorney General Tom Clark finally heard the screams of the Kansas City Star and let the FBI investigate.

The FBI later admitted to a Senate committee that the investigation ordered by Clark was limited to a review of evidence developed by the Star. He carefully refrained from ordering a thorough inquiry. Clark is now an Associate Justice of the United States Supreme Court.

In the fall of 1946, Vaughan and Maragon were guests of honor at a brewery party in Milwaukee. There, Maragon met Milton H. Polland, a friend of Vaughan's.

Polland's nephew, Harold Ross, was in trouble. Ross' Allied Molasses Co. of Plainfield, N. J., had been cut off from its molasses sources for violating control orders. Ross hired Maragon to straighten things out.

VAUGHAN AND MORE VAUGHAN

Vaughan also tried to help. He telephoned Herbert C. Hathorn, molasses chief in the Agriculture Department. Vaughan opened the conversation by informing Hathorn, "We Democrats have to stick together," and closed it by threatening to have Hathorn fired if he didn't approve molasses for Allied.

Vaughan later claimed to have no memory of the affair. Hathorn and his superior, Joseph T. Elvove, remembered it clearly.

After losing the 1946 election to the Republicans, the Democratic National Committee began a high pressure drive to recoup in 1948. Jefferson-Jackson dinners, $100 a plate, were routine. At Miami Beach's Roney Plaza, the price was $250. Ten tickets were bought for Frank Erickson, the recently jailed New York gambler, by Abe Allenberg, his aide in Miami. Erickson, Allenberg and assorted pals attended the dinner.

George L. Killion, the national treasurer of the party, sent Allenberg a nice note: "Dear Mr. Allenberg: We are grateful to you for participating in the Miami Jefferson Jubilee dinner. Your assistance proved of material help to the Democratic Party in preparing for its 1948 Presidential campaign."

Meanwhile a new racket burgeoned on the Potomac. On March 27, 1947, Peter Lektrich, a licensing officer for the Commerce Department's Office of International Trade, validated an export license for 100,000 pounds of scarce steel pipe. He did it to oblige a friend, Robert M. Mistrough. Mistrough was one of the new crop of export "expediters" dealing in illicit licenses. Lektrich told a Senate committee he had hoped to go into business with Mistrough. He was fired from the Commerce Department. At present, he works for the Clerk of the House of Representatives.

Faked export permits sold for as high as $10,000. The Commerce Department regarded the situation with apathy until, a year later, pressure from Congress forced action.

In April, 1947, 23-year-old Edward McBride bought the $2,300,000-a-year horserace wire empire, Continental Press Service. Continental Press distributes racing results all over the country. It's the glue that holds the organized underworld together.

Young McBride was advised in the negotiations by the law office of Miller & Hornbeck in Cleveland. His father, Arthur B. (Mickey) McBride, is a good friend of Ray T. Miller, one of the law partners and Democratic chairman of Cuyahoga County and Cleveland's Democratic boss.

Mickey McBride has been associated in Florida real-estate transactions with "Big Al" Polizzi, "reformed" bootlegger and slot-machine operator. McBride is also friendly with the three Angersola brothers, alias King, one of whom, John, has a long string of notations on police blotters.

Ray Miller led the Ohio delegation to Philadelphia in 1948 and held it in line for Truman. When the President spoke in Cleveland in the 1948 campaign, Miller acted as major domo.

TAX HOCUS-POCUS

Chicago gangsters Tony Accardo and Jake (Greasy Thumb) Guzik, chief legatees of the old Capone mob, sent in a partnership Federal tax return in the spring of 1947. It included an item of $130,000 listed as "other income."

Confronted with the mysterious $130,000, the Bureau of Internal Revenue sent an agent, Ned Klein, to investigate. He reported that the partners refused to divulge the source of this income. He urged further inquiry. But Accardo and Guzik escaped without any embarrassing talk about the $130,000.

That same spring month in 1947, the Kansas City vote-fraud case literally blew up.

Although Attorney General Clark and the President had failed to order a complete investigation of the 1946 piracy at the polls, a Jackson County grand jury did its own sleuthing. On May 27, the grand jury reported that Representative Slaughter had been "deprived of the nomination by fraudulent miscount of votes and by other types of fraud." The grand jury indicted 71 persons.

Anticipating the report, Pendergast and gangster-boss Binaggio had accumulated a fund of $35,000 to defend their minions. A few hours after the grand jury reported, thugs blew open the vault at the Jackson County courthouse and made off with the ballots impounded there. President Truman was sleeping in the Muehlebach Hotel, two blocks away.

Disappearance of the ballots scuttled the case. President Truman and Attorney General Clark promised to investigate. A Senate committee started to look into the affair, but the administration choked it off. Three years later, the statute of limitations took effect.

Now the scene shifts back to Chicago. On August 13, 1947, four of the old Capone crowd walked out of Federal prison because they knew the right people. The four were Louis Campagna, Paul Ricca, Philip D'Andrea, and Charles (Cherry Nose) Gioe. The wires they pulled can be traced to the White House and the Justice Department.

On the Federal parole board were B. J. Monkiewicz and Fred S. Rogers, both appointed a few months earlier by Attorney General Clark. Rogers came from Bonham, Tex.

The lawyers in the case included President Truman's old St. Louis campaign manager, Paul Dillon, and Maury Hughes, of Dallas, boyhood friend of Attorney General Clark. Hughes got $10,000 for his efforts in the case.

Some fantastic angles of the case were never cleared up. The Treasury, for instance, settled a $670,000 income-tax lien against Ricca and Campagna for $128,000. Nobody seemed to know why.

Another Potomac-side scandal, one of the worst in the history of latter-day Pendergastism, was blooming in September 1947.

SOME 800 PUBLIC SERVANTS TOTALED $213,000,000 IN COMMODITY GAMBLING—OF GRAIN AND MEN

President Truman warned that "grain prices should not be subject to the greed of speculators who gamble on what may lie ahead in our commodity markets." More than 800 officials and employees of his administration during 1946 and 1947 had speculative transactions totaling $213,000,000 in the commodity markets.

The fever infected even the White House staff. A heavy plunger was Brig. Gen. Wallace H. Graham, the President's physician. On September 17, 1947, Graham had a grain investment of at least $22,500. He first explained that he didn't know his broker had put him in the grain market. He said his account was closed out 2 days after the President, on October 5, publicly denounced speculators.

The explanation was as glib—and as accurate—as General Vaughan's statement that his freezer was a factory reject. Before a Senate committee, Graham admitted his account had not been closed until December 18.

Ed Pauley, an assistant in the office of the Secretary of the Army at the time, was also deep in the speculations. Pauley admitted he was in the market to the extent of $932,703 during the years the administration was scouring the farm lands for grain for Europe.

An Oklahoma Democrat and former chairman of the Senate Agriculture Committee, conceded that he was playing the market. His wife was trading in cotton futures.

Speculators included diplomats, Pentagon officers, Federal bureau officials, and civil-service employees. House committee members who investigated said they could not prove that any of the eight-hundred-and-odd Government people traded on inside knowledge in their market dealings, but many of the transactions looked suspicious.

HERE'S VAUGHAN—AGAIN

A woman in the Commerce Department admitted that, on September 8, she told a friend the details of the order, to be issued September 10, permitting larger exports of lard. The friend was employed by the Institute of Shortening Manufacturers. Lard prices climbed 9 cents after the order came out.

While White House General Graham was playing the markets, White House General Vaughan was improving the race-track situation. In October 1947, William Helis walked into Vaughan's office to discuss a race-track problem. According to testimony before the Kefauver crime committee, Helis had business tie-ups with Frank Costello and "Dandy Phil" Kastel, the gambling moguls.

Helis persuaded Vaughan to introduce Eugene Mori and Samuel P. Orlando to Frank Creedon, the Federal Housing Expediter. Mori and Orlando had bought Tanforan race track, near San Francisco, but could not get a Federal permit to construct buildings there.

Creedon's legal staff told the trackmen their case looked hopeless because of the critical housing shortage and restrictions on building materials. A little later, Tighe Woods became Expediter and the Housing Administration began grinding out a permit for use of $150,000 worth of materials at Tanforan. The process took time. General Vaughan called Woods and told him "some friends of mine are interested in this." He said he wanted to be sure Woods would not be prejudiced because Tanforan was a race track. Vaughan called Woods a second time, asked for more speed. The construction permit was issued the next day. Woods defended the permit as perfectly legal.

Helis contributed about $4,000 to the Democratic Party for the 1948 election. Vaughan handled the contribution.

As 1947 dwindled, Truman again was active in behalf of his friends. He freed Mayor James M. Curley of Boston and Donald Wakefield Smith, former member of the National Labor Relations Board, from the Federal penitentiary.

Curley and Smith, both Democrats, had been convicted of mail fraud in a $60,000 deal to swing war contracts to clients. While in jail, Curley had continued to collect $20,000 as Boston's mayor. He acknowledged the President's graciousness by rigging a howling demonstration when Mr. Truman visited Boston in the 1948 campaign.

A FRUGAL MAN

In Ohio the administration came to the aid of another underprivileged character with the right connections. In the spring of 1948, a bill in Congress to stay the deportation of Frank Cammerata was introduced by the chairman of the Democratic Congressional Campaign Committee and a friend of Mr. Truman's.

Cammerata, a major figure in the Youngstown underworld dominated by the Licavoli mob, was married to Pete Licavoli's sister and ran the slot-machine industry in Youngstown through the sufferance of Johnny Vitullo, the local Democratic chief. When Vitullo died of a heart attack in October 1948, his safe-deposit box disgorged $125,000 in cash.

With a lengthy police record stretching over 17 years, Cammerata had been picked up on a fur-robbery charge and was to be ejected from the country as an undesirable alien. Following introduction of the bill, Cammerata was released from Ellis Island.

It was during April, too, that Pat Mooney, deputy collector of internal revenue at Reno, Nev., admitted that he had been making out income-tax returns for San Francisco gambler Elmer (Bones) Remmer. Mooney, besides his job as Federal tax collector, managed the Mountain City Consolidated Copper Co. of Nevada (not to be confused with the reputable Mountain City Copper Co.). The California Crime Commission said Mooney's concern had not produced a ton of ore in 13 years of operation. All but one of its officers were Federal officials. Investors included gangsters, racketeers, and hoodlums. The crime commission reported that the only important tax-fraud prosecution in Nevada in recent years involved a man who refused to buy Mountain City Consolidated stock.

MOONEY IS SNAGGED

A California abortionist who was being pressed for payment of $50,000 in overdue income taxes gave Mooney $5,000. Mooney said it was an investment in the mining company. Mooney later resigned. He was indicted last March by a grand jury that charged him with conspiracy to defraud the Government.

Meanwhile, Vaughan was helping Bennett, the perfume man, arrange another trip to Europe. Bennett wanted to get into the British zone of Germany. The Army said he couldn't. Vaughan got the State Department to say he could. It was one of eight times that Vaughan arranged special favors for Bennett or his employees.

As the 1948 campaign approached, alliances with the underworld were cemented. Abe Allenberg, Frank Erickson's lieutenant, was named Miami treasurer of the Truman campaign committee. In Kansas City, Charles Binaggio began raising a $150,000 campaign fund from his racket cronies in behalf of President Truman and Forrest Smith, Democratic candidate for governor. Binaggio offered Roy McKittrick, one of Smith's primary opponents, $50,000 to withdraw but was turned down.

The President was rocketing around the country "giving 'em h——" when Harold F. (Dusty) Ambrose, a $10,000-a-year special assistant to Postmaster General Jesse M. Donaldson, decided Washington's moral climate was about right for a Ponzi deal. Ambrose was on the Federal payroll despite disclosures that he sold a private newsletter to postmasters, trading on his position in the Department.

His new scheme involved getting well-heeled suckers to invest in special commemorative stamps, to be sold at a profit to stamp collectors. His big selling point was his inside position in the Post Office Department.

ADONIS GETS TAKEN

First, he hooked Joe Adonis, overlord of New Jersey gambling and associate of Costello and Erickson, for $105,000. Adonis expected nothing but profit from an association with an administration insider. But instead of buying stamps, Ambrose simply paid "dividends" to early investors, using money from later arrivals. Months later, when Ambrose could no longer pay off, the scheme was exposed. In 1951, he was convicted and sentenced to 2 to 7 years in prison.

The President's 1948 victory over Gov. Thomas E. Dewey was so emphatic he did not need the assistance of Edward F. Prichard, Jr., the 33-year-old boy genius of the administration who stuffed a Kentucky ballot box with 254 forged Democratic votes.

Prichard was a former aide of Chief Justice Fred M. Vinson while Vinson was filling high postwar positions in the administration. He also had been a protégé of Associate Justice Felix Frankfurter and was a former counsel for the Democratic National Committee. His mistake was bragging about the ballot forging. He was convicted, but Mr. Truman commuted the 2-year sentence 5 months after Prichard began to serve it.

President Truman was inaugurated on January 20, 1949. Two months later, on March 29, gangsters' guns barked in Kansas City. Wolf Riman, the slot-machine boss, was killed shortly after he acquired exclusive rights to distribute a popular brand of whisky.

The Alcohol Tax Unit in Washington had given Riman a Federal liquor license despite

his known underworld operations. He had friends in the right places. One of them was Sheriff J. A. Purdome of Jackson County.

Purdome was the sheriff who supplied the watchmen who weren't there when the vote-fraud ballots were blasted out of the courthouse vault 2 years earlier. When Riman was killed, he was about to step into his automobile fitted with red lights and a police siren. Purdome had made him a deputy sheriff and let him use the deputy's badge while overseeing his slot-machine and juke-box enterprises.

Two months later, another sheriff showed up in the panorama of corruption. Sheriff Walter Clark was the political boss of Broward County, Fla., the gambling mecca outside Miami.

Frank Costello, Frank Erickson, Joe Adonis, and Mert Wertheimer were the big names in Broward County gambling. The gamblers acknowledged Sheriff Clark's hospitality with appropriate "campaign contributions." Clark's salary was $7,500 a year, but he owned a beautiful home, a $35,000 share in a garage business, a 200-acre farm, and miscellaneous real property. His income included about $16,000 a year from a concern dealing in slot machines, juke boxes, and bolita, the Cuban version of the numbers racket.

Sheriff Clark also was one of the largest stockholders in the Ribbonwriter Corp., devoted to the manufacture of a typewriter gadget. The Reconstruction Finance Corporation, the Federal Government's lending arm, loaned Ribbonwriter $300,000 against the recommendations of its own review committee.

TAXPAYERS' MILLIONS GIVEN COMPANIES HAVING INSIDE TRACK TO RIGHT PEOPLE

Three months after it got the RFC money, Ribbonwriter went bankrupt. The receivers found less than $100 cash in the till.

In May 1949, another of General Vaughan's friends, James V. Hunt, the 5-percenter, was swimming free style in the flood waters of influence.

Sitting in Hunt's office, Maj. Gen. Alden H. Waitt, Chief of the Army Chemical Corps, dictated a memorandum for Vaughan to hand to the President. It demonstrated that Waitt was the "only man qualified to be Chief of the Chemical Corps for the coming term. Hunt was trying to get a Chemical Corps contract for one of his paying clients, Deering-Milliken Research Trust of Greenwich, Conn. General Waitt was doing his best to help. As he told one of his officers, Deering-Milliken had "influence in the White House that might prove valuable." Valuable to Waitt. When the facts came out, he resigned from the Army.

Another of Hunt's helpful friends, Maj. Gen. Herman Feldman, the Quartermaster General, supplied the "fixmaster" with inside information about the Army's purchasing plans. Feldman kept his job but received a public reprimand.

HORATIO ALGER IN WASHINGTON

In the summer of 1949, the RFC became tangled in one of the era's most odorous messes. The RFC had loaned a total of $37,500,000 of the taxpayers' money to the Lustron Corp of Columbus, a prefab housing concern.

Among the RFC examiners when the first portion of the loan was approved was E. Merl Young. A one-time Kansas City grocery clerk, Young had arrived in Washington in 1940 when his wife, Lauretta, started working for Senator Truman. Victor Messall, the Senator's secretary, got him a Government job as a $1,080-a-year messenger.

Later, Young examined loans for the RFC and in 1948 went to work for Lustron, quickly rising to an $18,000 vice presidency. Simultaneously, he held a $10,000 job with the F. L. Jacobs Co., of Detroit, a $3,000,000 RFC borrower.

Young was a close friend of RFC Director Walter L. Dunham. Dunham took a particular interest in the Lustron loan, and in September 1949 decided on an RFC survey to find out why Lustron was going broke. He consulted his friend, James C. Windham, assistant to George E. Allen, White House jokesmith, when Allen was an RFC Director.

After the F. L. Jacobs Co. had negotiated its $3,000,000 loan, Windham had left the RFC to become its treasurer. Now Windham knew just the man to make Dunham's survey—Rex Jacobs, president of the Jacobs Co.

Jacobs knew all the ins and outs of the RFC. Among his close friends was Donald Dawson, the President's personnel assistant and former RFC official. A Senate investigating committee reported evidence that Dawson stil swings a lot of weight within the Corporation. His wife is in charge of all RFC files.

The Dawsons spent rent-free Miami Beach vacations in $30-a-day rooms of the RFC-financed Saxony Hotel, headed by George D. Sax, Chicago punchboard king and a heavy Democratic contributor. The Saxony and two Miami-area hotel concerns obtained RFC loans backed by Charles Murray, Senate administrative assistant. James Murray made $21,000 as an attorney representing these same hotels in their successful efforts with the RFC.

ONCE OVER LIGHTLY

Assigned to the Lustron survey, Jacobs whipped through the huge corporation in 2 days. He reported, among other things, that Lustron was spending too much to haul its prefab houses from factory to customer. He overlooked the fact that for 6 months Lustron had been paying $44,800 a month rent on 40 truck tractors that it never received. These tractors were leased to Lustron by Commercial Home Equipment Corp., which had been created specifically for that purpose.

The attorney for Commercial Home was Joseph E. Casey, former Democatic Congressman from Massachusetts. Casey had netted $250,000 on resale of ships purchased from the United States Maritime Commission. Casey had close business ties with the Washington law firm of Goodwin, Rosenbaum, Meacham & Bailen, which handled many RFC deals. Joseph Rosenbaum, principal partner in the law firm, had a business association with Rex Jacobs.

To complete the circle, there was Paul O. Buckley. He was a director of Commerical Home. He also was a director of Lustron. He had business connections with Joseph Rosenbaum's brother, Frank. Finally, Buckley was connected with Barium Steel Corp., a company affiliated with Central Iron & Steel Co., which received $6,300,000 in RFC loans in the summer of 1949.

Only one RFC examiner did not object to the Central Iron loan. The exception was Hubert B. Steele. Steele's daughter, Virginia, once was Merl Young's secretary and later worked for Rosenbaum's law firm. A month after Central Iron got its loan, Steele quit RFC and went to work for Rosenbaum, whose firm represented Barium Steel. The day he went to work, Steele was given $5,000. Rosenbaum said it was 4 months' salary in advance.

Rosenbaum gratefully "loaned" Merl Young money to buy a house and to get Mrs. Young, by now a White House stenographer, a $9,500 mink coat. Mrs. Young selected a natural royal pastel mink at a New York furrier's. Details of the loans were intricate and vague.

While the RFC whirligig was spinning, the Democratic faithful gathered in Kansas City on September 29, 1949, at a testimonial dinner for William Boyle, new chairman of the national committee.

"HIGH FINANCE" IN RENO

Charles Binaggio, the gangster-politician, was on the arrangements committee. He and his wife, niece of Kansas City racketeer Tano Lacoco, sat near Boyle and President Truman.

Ten days later, the gangster-Democratic entente was underlined again. On October 9, the RFC approved a loan of $1,300,000 to the Mapes Hotel in Reno. The hotel's gambling concession had been leased to Lou Wertheimer, brother of Mert, the big-league dice-and-cards man from Detroit. Mert operated in Chicago, in Reno, and in Sheriff Clark's Broward County domain. Lou was better known on the west coast.

Harley Hise, then RFC Chairman, said he could not see anything wrong with lending public money to finance a gambling spot. Gambling is legal in Nevada, he said.

On the night of April 6, 1950, Binaggio and his assistant thug, Charles Gargotta, were shot to death in the Democratic clubhouse, 716 Truman Road, Kansas City. The bodies were found lying beneath a picture of President Truman.

They had been murdered, it appeared, shortly after returning to the club from the State Line gambling house from which they were netting $2,000 a month each through tolerance of the administration they had helped.

The White House lost another ally that month. John Maragon was convicted of lying to a Senate committee about his bank account and his Verley income. He got 8 months to 2 years.

The Senate Crime Committee, headed by Senator ESTES KEFAUVER, swung into action after Binaggio and Maragon had been removed from circulation. President Truman applauded the committee's objectives and granted a full pardon to former Mayor James M. Curley of Boston, whom he had released from prison in 1947.

While the Kefauver committee was stirring the bushes in July 1950, Leo B. Parker, of Kansas City, showed up at the RFC, introduced by Democratic National Chairman Boyle.

Parker's client, Starrett Television Corp. wanted to buy the Aireon Manufacturing Corp. in Kansas City, Kans. RFC owned Aireon after foreclosing on a $1,500,000 loan to the juke-box factory. Boyle's introduction was enough for the RFC directors. They didn't even bother to ask for a Dun & Bradstreet report on Parker's clients.

But before the sale could be completed, inquisitive Senators dug into the deal. They found that Jacob Freidus, owner of Starrett, and his father-in-law, Sam Aaron, were under indictment. They had neglected to pay $218,000 in income taxes to the Government from which Freidus was trying to buy a juke-box plant. They were convicted last November. It also developed that Larry Knohl, Starrett vice president, had been in Federal prison for toying with the bankruptcy laws.

It was a busy time in Washington. Over at Democratic headquarters they were reaping funds for the 1950 Congressional elections. In September, Chairman Boyle appointed a new member of the finance committee. He was Morris A. Shenker, Democratic powerhouse from St. Louis. Shenker knew where to raise money; he had tapped the gamblers.

COMMITTEE MEMBERS SCREAMED

Boyle, an old Pendergast man himself, voiced no objection to Shenker. But Shenker declined the appointment to the finance committee on September 12, after members of the Kefauver committee screamed in public.

John H. Hendren, former Missouri Democratic chairman, gave this sworn testimony on September 29, 1950:

That, in the 1948 campaign, Shenker and William Molasky met Hendren at the Mayfair Hotel in St. Louis. Molasky, veteran of an income-tax conviction, operated a horse-race wire monopoly to St. Louis bookies. He gave the Democratic Party $2,000.

In return, all he asked was that the Democratic candidate for governor, Forrest Smith, if elected, would put his man on the police board. Who? "I believe his first choice was Mr. Shenker," said Hendren.

Hendren said he was fairly sure Forrest Smith, if elected, would not consider Shenker, because, said Hendren, Shenker had a large criminal practice in St. Louis.

Shenker was attorney for assorted witnesses before the Kefauver committee. Among them were William P. Brown, part owner of Molasky's race wire service; James J. Carroll, St. Louis betting commissioner; John Mooney, a bookie, and Joe Uvanni, a comeback bettor.

September 1950 was also the month that President Truman lifted New York's Mayor William O'Dwyer off the hottest spot of his career. The President appointed O'Dwyer Ambassador to Mexico and gave him a chance to walk out on the New York police investigation.

The inquiry, which O'Dwyer labeled a witch hunt, broke open September 15, 3 days before the mayor was confirmed as ambassador. That was the day the police grabbed Harry Gross, Brooklyn superbookie. Within a couple of months, 110 of New York's finest retired in the face of a grand-jury study of bribery and corruption.

Mayor O'Dwyer, who once visited the home of Frank Costello, underworld kingpin, had handed out city jobs to good friends of the racket world. The aroma from his administration became pungent indeed when James J. Moran, his old political pal and O'Dwyer-made New York water commissioner, was indicted for perjury this spring.

"THE WORLD'S RICHEST COP"

In October, the Kefauver committee committed a political faux pas by exposing the alliance between Chicago's Democratic barons and the underworld. The exposure wrecked the reelection chances of Senator Scott Lucas, administration leader in the Senate.

But the Cook County Democratic leaders had carried their tolerance for the rackets too far. They had endorsed former Police Captain Dan A. (Tubbo) Gilbert, then a special investigator for the State's attorney, for sheriff. Gilbert was tagged by the Kefauver committee as "the world's richest cop." Shortly before the election, he admitted he had piled up $360,000 while serving the people. His explanation that the profits came from grain speculation raised the committee's eyebrows.

The voters responded by licking both Lucas and Gilbert. Lucas today blames his defeat on Kefauver.

A week after the election, the California Crime Commission's final report exposed a tie-up between Federal Internal Revenue agents and west coast crooks. Up to that time, incredible dealings between tax agents and hoodlums had gone on under the nose of George J. Schoeneman, Commissioner of Internal Revenue. Schoeneman is a former executive assistant of President Truman.

The crime commission said William D. Malloy, deputy in charge of the Salinas office of Internal Revenue, had tagged Anna B. (Tugboat Annie) Schultz for $500. Annie operated a Salinas bordello and was under investigation for tax fraud. After getting $500, the commission said, Malloy wrote Annie on Treasury Department stationery, demanding another $75.

The commission also said Ernest M. (Mike) Schino, chief field deputy of the Federal Revenue Bureau in San Francisco, was associated in the Safety Step Sales Co. with Dorothy A. McCreedy, who also operated a string of call houses.

BELATED CLEAN UP

Internal Revenue officials said the whole mess was under investigation by the Bureau long before the California Crime Commission or the Kefauver committee approached it. Then the Bureau fired Malloy and Schino. Schino was indicted along with Patrick Mooney, former deputy collector at Reno, Nev., on a charge of conspiring to defraud the Government.

The new year opened badly for the White House circle. General Vaughan's friend, James Hunt, was indicted after 5 years of peddling his influence around the Capital.

Spring blossomed along the Potomac with charges that Mississippi Democrats were selling Federal jobs. The charge embarrassed Boyle to the extent of ousting the Mississippi acting Democratic national committeeman, Clarence E. Hood.

It was 6 years since Ed Pauley talked of oil on the train heading into Washington from President Roosevelt's funeral. The moral climate had not improved.

Investigation after investigation has continued to turn up shocking cases of hidden corruption and misuse of influence. Thousands of official pages of testimony have placed on the record this 6-year history of cronyism in our times. How deep does this corruption run?

The Clerk read as follows:

SEC. 2. Paragraph (3) of subsection (f) of section 2 of the Displaced Persons Act of 1948, as amended, is amended to read as follows:

"(3) has assurances submitted in his behalf for admission to the United States for permanent residence with a father or mother by adoption, or for permanent residence with a near relative or with a person who is a citizen of the United States or an alien admitted to the United States for permanent residence, or is seeking to enter the United States to come to a public or private agency approved by the Commission, and such relative, person, or agency gives assurances, satisfactory to the Commission, that adoption or guardianship proceedings will be initiated with respect to such alien;".

SEC. 3. Section 5 of the Displaced Persons Act of 1948, as amended, is amended to read as follows:

"SEC. 5. Quota nationality for the purposes of this act shall be determined in accordance with the provisions of section 12 of the Immigration Act of 1924 (43 Stat. 160–161; 8 U. S. C. 212) and no eligible displaced person shall be issued an immigration visa if he is known or believed by the consular officer to be subject to exclusion from the United States under any provision of the immigration laws, with the exception of the contract labor clause of section 3 of the Immigration Act of February 5, 1917, as amended (39 Stat. 875–878; 8 U. S. C. 136), and that part of the said act which excludes from the United States persons whose ticket or passage is paid by another or by any corporation, association, society, municipality, or foreign government, either directly or indirectly; and all eligible displaced persons, eligible displaced orphans and orphans under section 2 (f) shall be exempt from paying visa fees and head taxes."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KELLEY of Pennsylvania, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3576) to amend the Displaced Persons Act of 1948, as amended, pursuant to House Resolution 207, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. RANKIN. Mr. Speaker, I am going to be compelled to demand a roll call on this bill. I understand there is an agreement that if a roll call is demanded, the vote will be put over to Wednesday. I have no objection to that, but if we are to vote on the bill now, I am going to have to force a roll call.

Mr. McCORMACK. Mr. Speaker, in the light of the information given to the House by the gentleman from Mississippi, and in accordance with the understanding that exists between the leadership, I ask unanimous consent that further consideration, and final action on this bill, be postponed to Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

POWERS OF APPOINTMENT BILL OF 1951

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 206 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2084) relating to the treatment of powers of appointment for estate and gift tax purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by the direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYLE: Page 2, after the period in line 2, insert "Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment."

The amendment was agreed to.

Mr. LYLE. Mr. Speaker, this is a bill out of the Committee on Ways and Means. It is a technical bill and I am not in a position to discuss it with the House. Therefore, I yield 5 minutes to

the gentleman from Georgia [Mr. CAMP] to explain the bill.

TREATMENT OF POWERS OF APPOINTMENT FOR ESTATE- AND GIFT-TAX PURPOSES

Mr. CAMP. Mr. Speaker, H. R. 2084 amends sections 811 (f) and 1000 (c) of the Internal Revenue Code, the provisions of the Federal estate- and gift-tax statutes dealing with property over which an individual has a donated power of appointment, that is, a power of appointment derived from another person. Those provisions of the code were enacted as part of the Revenue Act of 1942, which was approved October 21, 1942.

The 1942 act made a complete change in the treatment of powers of appointment under the estate- and gift-tax laws. The amendments so enacted caused widespread dissatisfaction, and lawyers throughout the country who are familiar with the drafting of wills and trust instruments and the administration of decedents' estates complained to the Treasury Department and Members of Congress about their illogical and inequitable results and about the fact that many of their provisions are difficult to understand. Those lawyers have urged that the 1942 amendments be replaced by statutes which will produce more equitable results and which will be more easily understood by the average lawyer, banker, or property owner.

It is my understanding that representatives of the Treasury Department agree that the 1942 statutes now in force are unsatisfactory and should be replaced by simpler, more understandable statutes, which will eliminate some of their inequities and absurdities. It is my further understanding that the Treasury representatives would agree that the changes in the law which were made in 1942 probably will not produce revenue substantially greater than that which was produced by the statutes in force prior to 1942.

Congress has recognized that the 1942 statutes are not satisfactory and, with the approval of the Treasury Department, it has granted successive extensions of the effective date of those statutes as applied to unexercised powers created prior to the 1942 act and of the time allowed for releasing such powers without incurring liability for estate tax or gift tax. The latest extension was granted by House Joint Resolution 480, approved June 27, 1950, which extended the time to June 30, 1951. In its report on House Joint Resolution 480, this committee stated that in its opinion no further extension should be granted; that it was believed that the studies on the matter had been completed, and that the matter of revision of the statutes could be taken up by the committee at the appropriate time. In view of that statement, it is important that this bill be enacted promptly, in order that the statutory revision may become effective by June 30 of this year.

H. R. 2084 is designed to simplify the estate and gift tax statutes dealing with powers of appointment and to remove some of their inequities. The bill has been approved by a committee of the American Bar Association, which has worked on the question continuously since shortly after the 1942 act was passed. That committee has considered the views of lawyers throughout the country and has held many conferences with representatives of the Treasury Department during the past 8 years in an effort to reach an agreement on a satisfactory substitute for the 1942 statutes. Although that committee was unable to reach a complete agreement with the Treasury Department, it has succeeded in reaching an agreement with the Treasury representatives on many provisions which are incorporated in the bill, and the bill contains provisions which were included, contrary to the wishes of some members of the American Bar Association, in an effort to meet the views of the Treasury Department. The bill has been approved also by a committee of the American Bankers Association, which has worked on the question for several years and has conferred with representatives of the Treasury Department.

A summary of the main provisions of the bill is set forth below. In this summary I shall refer to pre-1942 powers, meaning those created on or before October 21, 1942, and to future powers, meaning those created after that date.

PRE-1942 POWERS

H. R. 2084 would subject to estate tax in the State of a decedent property over which he has a power of appointment created on or before October 21, 1942, only if the power is a general power and is exercised by the decedent by will or by a deed of a testamentary character. The gift tax would apply on the exercise of such a power. A general power is defined as an unlimited, unrestricted power which is exercisable by the decedent in favor of himself, his estate, or his creditors. An unlimited, unrestricted power is one which the holder of the power, acting alone, can exercise as he sees fit, without having to answer to anyone else.

The bill provides that a power to consume, invade, or appropriate property for the benefit of the holder of the power which is limited by an ascertainable standard relating to the health, education, support, or maintenance of the holder shall not be deemed a general power of appointment. For example, a power to use principal of a trust fund in case of sickness or some other emergency would not be a general power, but a power to use principal for comfort or happiness would not be limited by an ascertainable standard and would be a general power.

The 1942 law now in force provides that the tax shall apply whether the power is exercised or not, and even though the power cannot be exercised so as to benefit the holder, if the power can be exercised in favor of persons who do not fall within certain exempt classes specified in the statute. However, the present law allows the holder of a pre-1942 power to release the power at any time prior to July 1, 1951, without incurring liability for gift tax or estate tax, and provides that the estate tax shall not apply if the holder dies before that date without exercising the power.

Prior to the 1942 act the estate-tax law did not apply to an unexercised power of appointment, and prior to 1942 many people created powers of appointment in favor of others, relying on the fact that such a power would not cause the property to be taxed in the estate of the holder unless he should exercise the power and thus take command over the property. It would be objectionable retroactive taxation if the tax should be made to apply to unexercised powers created before the passage of the first statute which taxes unexercised powers.

Moreover, in many instances, the holder of the power dies without learning of its existence. Large property owners in cities throughout the country have their wills reviewed frequently by lawyers who are familiar with the taxing statutes and they usually know of the existence of any powers of appointment given to them. Since 1942, those having knowledge of the existence of general powers given to them prior to 1942 have followed the practice of cutting them down to exempt powers. However, many small property owners throughout the country do not have access to expert legal advice on such questions and they would be penalized unjustly if their estates should be made to bear a higher estate tax because of the retroactive application of the taxing statutes.

The present statute, as interpreted by the Treasury Department, allows holders of pre-1942 powers to cut them down to exempt powers prior to July 1, 1951, without incurring liability for estate tax or gift tax. Therefore, a statute which would tax unexercised powers created before 1942 cannot be regarded as a revenue measure. A provision taxing such powers would operate solely as a trap for the unwary and should not be included in the amending statute.

H. R. 2084 incorporates into the statute the provisions of the present estate and gift tax regulations permitting the release or cutting down of pre-1942 powers to exempt powers without liability for gift tax or estate tax.

FUTURE POWERS

The principal difference between the treatment of pre-1942 powers and future powers in H. R. 2084 is that in the case of a future power the estate tax would apply on the death of the holder of the power whether it is exercised or not, and the gift tax would apply on the release as well as the exercise of the power. As in the case of pre-1942 powers, the estate and gift taxes would apply only if the power is a general power as explained above.

The only justification for taxing as property of a decedent property over which he has as unexercised power of appointment received from someone else is that the power may be exercised so as to benefit the decedent, and accordingly may be regarded as equivalent to ownership of the property. If through the exercise of the power the decedent may not benefit himself or his estate, there is no justification for taxing the property as his, regardless of how broad the class of persons may be in whose favor the power may be exercised.

The present law taxes the power where it may be exercised by the holder either alone or in conjunction with any other

person. H. R. 2084 would apply the tax only where the power is exercisable by the holder alone. There may be justification for taxing in a decedent's estate property which the decedent himself transferred during lifetime reserving a power to alter, amend, or revoke with the consent of another person, because the decedent chose to create the power in that manner. However, where the holder of the power does not participate in its creation but derives it from someone else, the property should be treated as his property only if he has the unfettered right to exercise the power and if he is not required to obtain the consent of another person to its exercise.

The bill provides that the mere failure of the holder to exercise a power during the period allowed for its exercise, so that it expires or lapses during the life of the holder, shall not be treated as a transfer of the property. The present statutes, as construed by the Treasury Department, treat such failure to exercise the power as a transfer at the time the power lapses. For example, if a decedent by his will should give his widow the income for life from a trust fund and the power to withdraw $5,000 a year from principal and the power over each year's $5,000 would expire at the end of the year, the widow would not under H. R. 2084 be deemed to make a transfer of $5,000 when she failed to exercise the power in any year. The estate tax would apply only to the amount over which the power existed after death. But under the Treasury Department's interpretation of the present statute, each year that she failed to exercise the power she would be regarded as making a gift of a remainder interest in $5,000, and on her death, each year's $5,000 would be taxable in her estate as if she had made a transfer of that amount reserving income to herself for life.

H. R. 2084 contains a provision, which I understand has the approval of the Treasury Department, that a disclaimer or renunciation of a power shall not be treated as a transfer of the property. The mere failure to exercise a power so that it lapses during the lifetime of the holder should be treated in the same way as a disclaimer or a renunciation.

The bill contains other provisions which I understand meet with the approval of the Treasury Department. Provision is made that if a power which is not otherwise taxable is exercised in such manner as to create another power which can result in continuing the property in trust during the lives of persons who were not born at the time the first power was created, the first power shall thereby become a taxable power and shall cause the property to be subject to estate tax or gift tax at the time it is exercised. Finally, the amendments are made effective as of the date of the enactment of the Revenue Act of 1942, so that they will apply to the estates of decedents dying after October 21, 1942, and to gifts made on or after January 1, 1943.

Mr. Speaker, this bill, as the gentleman has said, is a technical bill. It was introduced by me at the request of a committee appointed by the American Bar Association some 4 years ago to study the effect upon the taxpayers of this country of an amendment to the gift and estate tax law which was passed by the Congress in 1942. This amendment which was passed in 1942 was too drastic. It was more drastic than the Committee on Ways and Means realized and immediately upon its passage we found we had upset estates which had been created even before income tax, estate or gift taxes had ever been adopted in this country. So in the 8 years which have intervened, each year we have passed a law extending the effective date of the act of 1942. The last extension was passed last year and terminates on June 30 of this year. In the meantime we have asked the Treasury staff, and this committee appointed by the American Bar Association to study the matter and make their recommendations. They have made their recommendations. This is the bill we have before us today. It provides definitions of powers of appointment and prescribes the various effects of certain classes of appointments, general appointments and special. This bill comes to you with almost unanimous approval of the Committee on Ways and Means.

The permanent solution which your committee has worked out for the powers of appointment problem has been attacked in a minority report signed by three members of the committee. Although this minority report agrees that the provisions of the 1942 amendments dealing with powers of appointment were too strict and should be liberalized, the report starts with an attack on all powers of appointment. It asserts that tax avoidance has been the chief factor in their increased use. The report attempts to support this position by a quotation from W. Barton Leach, professor of property law at the Harvard Law School. For this reason I would like to use Professor Leach's words in explaining that powers of appointment are not mere tax-avoidance schemes, but are a legitimate and intelligent method of property disposition which this Congress has no right to penalize. Professor Leach said in the Harvard Law Review for April 1939:

> Powers, and particularly special powers, are efficient as devices for causing family funds to be devoted to the uses of the family in such a way that the more needy are provided for at the expense of the less needy. Where a man leaves a widow and children, or a daughter and grandchildren, a life estate with a special power of appointment enables him at once to preserve the fund from dissipation or loss and to cause the fund to be distributed among the remaindermen in accordance with the judgment of the life tenant exercised at her death on the basis of the needs then apparent. By the use of a power it is made possible to have the ultimate distribution governed wisely by the shifts of fortune of the family members that occur during the life of the life tenant, rather than predetermined in fixed shares as of the testator's death.
>
> Moreover, although powers appear in many wills involving large estates, they are most needed and are becoming increasingly used in estates of moderate size. If the Federal estate tax is so expanded as to hit more powers of appointment in the expectation that this will merely be a further tax upon the very opulent, I predict that it will soon be discovered that we have produced another instance of striking the lower- and middle-income groups with brickbats aimed at the rich. Take an example. If a man has a wife and four children and a million dollars to distribute among them, he can prudently create a life estate in the wife and a rigid remainder to the four children equally. Two hundred and fifty thousand dollars apiece is pretty certain to be adequate provision for each child; so the rigid remainder does no harm. But suppose his estate is $100,000 or less. One-fourth of that amount will not be adequate to the needs of a crippled son or a daughter whose husband has proved worthless. In such a case it is of the greatest importance that the property should be allocated at the death of the mother to such children and in such proportions as need dictates. A power of appointment in the mother is absolutely vital—and a tax on special powers would penalize it handsomely.

I am confused as to what the minority report is driving at in its general attack on powers of appointment. It points out that a father may leave property in trust to pay the income to his son for life and to his grandchildren until 21 years after the son's death, and thus postpone a second estate tax for over a century. But that has nothing to do with this bill. It has always been possible under our estate tax, and it will continue to be possible whether or not this bill is enacted, because it is possible without the use of a power of appointment. Apparently the minority report objects to the same result being achieved through the us of a power of appointment. And apparently the minority report does not object to this same result being achieved even through the use of a power of appointment, provided the power is a power in the son to appoint among the grandchildren as he chooses. This type of special power is not taxed even under the 1942 amendments, and the minority report agrees that the 1942 amendments should be liberalized, and not made more strict. If it is the position of the minority report that such a power should be taxable if the son has the power to take the property for himself at any time during his own lifetime, then there is no disagreement with H. R. 2084 in this example with regard to future powers, because this bill would levy an estate tax at the death of the son holding such a power in the case of a power created after 1942.

The minority report charges that H. R. 2084 would "restore" or "reinstate" a loophole closed by the 1942 act, since the bill provides that a general power of appointment created before the 1942 act shall not be subject to estate tax unless it is exercised. In fact, the distinction between powers of appointment created prior to the Revenue Act of 1942 and powers created since that date has been in our estate tax law continuously since 1942. The Revenue Act of 1942 itself provided that a general power created on or before October 21, 1942, could be released before January 1, 1943, without estate or gift tax, and that if the holder of such a power died before January 1, 1943, without exercising the power there would be no estate tax. Since the Revenue Act of 1942, Congress has extended that distinction between preexisting powers and future powers on 10 different

occasions, so that no decedent dying before July 1 of this year will be subject to estate tax by reason of holding an unexercised general power of appointment at his death if that power was created on or before October 21, 1942. Therefore it is not correct to say that H. R. 2084 would "restore" or "reinstate" a distinction in favor of preexisting, unexercised general powers. That distinction is in our estate tax law today. H. R. 2084 would make the distinction a permanent provision of the estate tax.

Congress has long recognized the need for making a distinction between a general power of appointment created before the 1942 act, with the expectation that there would be no estate tax on the holder of the power unless he exercised it, and a general power created after the 1942 act in the knowledge that such powers are taxable to the donee whether or not exercised. If it were not for the fact that Congress felt that a problem existed with respect to these preexisting powers, it would not have been necessary to defer application of the 1942 legislation to them for 9 years. Your committee's reports during this period have specifically stated that the extensions were necessary because of the need for additional time to study possible changes in the 1942 legislation, particularly in connection with preexisting powers. Now your committee has reached the conclusion that tax-free release of these old general powers need no longer be permitted after the end of June of this year, but that, if they are retained, their holders should not be subjected to estate tax unless they exercise the powers.

The reasons for this treatment of preexisting general powers in your committee's bill are very simple. Since the holders of these powers have been free to release them since 1942 without subjecting themselves to estate or gift tax, and since they are still free to release them tax-free before July of this year, a decision by Congress to subject them to estate tax after July, whether exercised or not, would merely mean that practically all the persons who hold these old general powers, and know that they hold them, would release them tax-free before July 1. The result would be that Congress would be placed in the position of levying an estate tax with the full knowledge that persons with competent tax counsel would avoid it and that only the uninformed would pay. For example an unlimited power to invade has never been considered a power of appointment under the usual concepts of property law, yet it is considered a general power of appointment for estate tax purposes. We would be taxing the holders of these old powers to invade, who do not even realize that they have powers of appointment because they do not realize there is a difference between the property law definition of a power of appointment and the broader definition under our estate tax law. Your committee does not believe that a tax law should be framed to catch the ignorant with the full knowledge that the tax-conscious will not be affected

The minority report objects to the definition of taxable future powers in H. R. 2084, and it cites four estate-tax cases under the pre-1942 law which it says were lost by the Government under the same definition of taxable powers which is proposed in this bill. In the first place, the Government won one of the four cases cited—the case of *Kendrick* v. *Commissioner* (34 B. T. A. 1040). Two of the remaining cases do not illustrate results which would obtain under H. R. 2084, with your committee's amendments to the bill, because they were based on different definitions of taxable powers. The case of *Hepburn* v. *Commissioner* (37 B. T. A. 459) is cited in the minority report as an example of a power which was held not to be a general power in 1938 because it could be exercised only with the approval of disinterested trustees. Surely the writers of the minority report are aware that, under the committee's amendment to H. R. 2084, a future power of appointment held jointly with disinterested trustees is not exempted. The definition of taxable future powers in the amended bill specifically make such a joint power taxable if it can be exercised by the donee in his own favor, in favor of his creditors, in favor of his estate, or in favor of the creditors of his estate. The case of *Helmholz* v. *Commissioner* (28 B. T. A. 165) is cited as a case where it was held that a power was not a general power because it could not be exercised in favor of a business corporation. This is not a full explanation of the Helmholz case, since the Board of Tax Appeals also said that the exercise of the power was limited to persons other than the grantee. However, if the Helmholz decision by the Board of Tax Appeals was based solely on the fact that the grantee could not appoint to a business corporation, the opposite result would be reached under the definition of future taxable powers in H. R. 2084. This case was not decided, as the minority report states, under a definition of a general power in the regulations which is the same as the definition contained in H. R. 2084. The definition in the regulations to which the minority report refers was not adopted until 1937—4 years after the Helmholz case. Under your committee's bill a future power will be taxable as a general power if the holder may exercise it in his own favor or in favor of his estate or creditors, regardless of the fact that others, either individually or as a class, are excluded from the group of potential appointees.

The fourth case cited in the minority report as a horrible example, the case of *Leser* v. *Burnet* (46 F. (2d) 756), merely holds that in determining whether or not a power is exercisable in favor of the donee's creditors it is necessary to look to the applicable State law and determine whether, in fact, the power could be exercised in favor of creditors. This is certainly a sensible principle and would undoubtedly be followed by the courts in interpreting any powers-of-appointment statute Congress might enact. This does not mean that the language of a power must conform to what the State defines as a general power. It merely means that, in applying the definition of a general power in the Federal statute, it is necessary to determine the practical effect under State law of the particular language used in creating the power.

Instead of defining a taxable power of appointment as a power which is exercisable in favor of the individual possessing the power, his estate, his creditors, or the creditors of his estate, the minority report suggests broadening the definition to include any power to appoint which is not limited to a restricted class. Your committee gave full consideration to this proposal and rejected it as impractical. We were not able to find anyone who could tell us what was meant by a restricted class. And, incidentally, the minority report does not attempt to define the term. It was the feeling of your committee that it would be undesirable to insert an undefined term like restricted class in the estate-tax law with no clear idea as to what it means. Use of such a term would be an invitation to years of costly litigation while the courts guessed at what Congress might have meant by it. As far as making the estate tax more strict, this suggestion in the minority report would have very little significance, since, under any conceivable definition of the term "restricted class," the exempt class would include practically anyone the grantor of the power would normally be interested in including in the class of potential appointees.

The only other specific objection the minority report makes to the treatment of future powers of appointment under H. R. 2084 is that the bill does not levy an estate or gift tax on the holder of a power of appointment where the power expires or lapses during his lifetime. In other words, the minority report objects because the bill does not require a person to pay a gift tax on property when he loses a power over it. For example, if A has a general power of appointment over the remainder interest in property during the life of B, the income beneficiary, the minority report would argue that, if B dies before A has exercised his power, then A has made a gift of the property. In such a case the property goes to the persons the grantor of the power has designated, not to persons A has picked, and the power has lapsed because of B's death, not because of any act on the part of A. Your committee could not see any logic to the contention that the lapse of the power in such a case should be deemed to be a taxable gift by A.

The case of the lapse of a power arises most frequently where a widow is given a life interest in the income from her husband's property and is also given a power to take as much as $5,000, for example, from the corpus of her husband's estate in any year in which she considers this necessary. If the widow does, in fact, draw down $5,000 of the corpus each year and keep it until her death or give it away, she is, of course, subject to estate or gift tax on such amounts. However, if she does not exercise her right to invade the corpus of

her husband's estate, the minority report would argue that she has made a gift of $5,000 each year. Furthermore, even though the annual amount is small, it is not saved from gift tax by the $3,000 annual exclusion per donee, because the gift tax does not provide any exclusion for gifts of future interests, no matter how small. And, as if this were not enough, under the position taken in the minority report, the widow's estate would also be subject to estate tax on each $5,000 annual amount which she failed to take during her lifetime—on the reasoning that, by not taking the money, she made a gift intended to take effect at her death. Your committee could not countenance these weird results which follow from adopting the far-fetched interpretation that a lapse of a power is a gift by the person who held the power. Therefore, we have provided that a mere lapse of a power of appointment during life is not an exercise of the power.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the gentleman from Georgia, I believe, has explained the content and purpose of the bill, which is made in order by this rule, to the satisfaction of the House. The bill was reported by the practically unanimous vote of members of the Committee on Ways and Means, as only three members signed the minority report and when the measure was presented to the Committee on Rules and a request made for a rule, the rule was granted by the unanimous vote of the Committee on Rules. It appears to me this is very badly needed remedial legislation, which has been well drawn by the great Committee on Ways and Means after a long period of careful study and consideration. The rule should be adopted and the bill should be passed.

Mr. Speaker, I have no further requests for time on this side.

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I do not agree with what the gentleman from Ohio said with respect to the adoption of the measure which will be debated. Of course, I have no intention of trying to defeat the rule, but I certainly think there are some valid objections to the bill as reported out by the committee. The minority report has been prepared and printed and the measure is of great importance, I think, to a very small segment of the taxpaying public of this country in that it will be a windfall for those people in the matter of taxes and will indirectly affect every other person in the country who has to pay taxes because the tax burden will not be evenly distributed if this measure becomes law.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. BROWN of Ohio. I believe the gentleman from Ohio has stated the fact correctly when he stated that the minority members of the Committee on Ways and Means were unanimous in support of this bill and when he stated the fact that the Committee on Rules was unanimous in reporting the rule. Of course, the value or lack of value in the bill itself is a matter of opinion.

Mr. EBERHARTER. I just wanted to make my position clear.

Mr. BROWN of Ohio. We understand the gentleman's position, because he was one of three members of the Ways and Means Committee who signed a minority report.

The SPEAKER. The time of the gentleman has expired.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2084) relating to the treatment of powers of appointment for estate and gift tax purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2084, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DOUGHTON. Mr. Chairman, this bill, H. R. 2084, represents an earnest effort on the part of the Committee on Ways and Means to deal with, solve, and dispose of finally a very perplexing problem.

As was stated by the distinguished gentleman from Georgia [Mr. CAMP], author of the bill, this question has been before our committee several times each year for about 10 years. We were unable to arrive at anything in the way of legislation for more than temporary action because we were awaiting a study and report by the American Bar Association. That report has now been received. The Ways and Means Committee has received all the information that is necessary to pass on it intelligently and, I hope, to reach a satisfactory conclusion. It is true that this bill does not have the unanimous report of the Committee on Ways and Means, but it does have the support of a considerable majority. As far as I know, there are only three or four members of the committee who are not in sympathy with it and do not favor the enactment of this legislation.

I feel that it has been given careful study. The committee has been looking into it carefully and I am satisfied, if it is enacted into law, it will solve and dispose of a problem which has been giving us so much concern over a number of years. I am supporting the bill because I believe it is necessary, important, and desirable legislation.

Mr. Chairman, I now yield 20 minutes to the gentleman from Georgia [Mr. CAMP], author of the bill.

Mr. CAMP. Mr. Chairman, as I stated when I addressed the House during the consideration of the rule, this bill is recommended by the tax committee of the American Bar Association. Also, they have consulted with the legal staff of the Treasury Department. The staff representing the Treasury and the committee representing the Bar Association have agreed on every point in the bill except one. You will notice in the report that there are several committee amendments. Those committee amendments were recommended by the Treasury staff and agreed to by the Bar Association staff and committee. There was only one point upon which they did not agree.

As I also told you before, this bill relates to the law on gift taxes and estate taxes as it applies to what are known as powers of appointments in deeds or wills. This bill more clearly defines powers of appointment; it more clearly defines general powers of appointment and the various special powers.

The reason this is needed was because in communities all over the United States in many of which there was no high-powered technical special tax lawyer, and old-fashioned good lawyers had not kept up particularly with the various laws we had passed and changes in laws affecting technicalities of estate and gift taxation, this was to fix it up so they could look at it and at a glance know what they were doing.

I wish to take up this one point in which three or four members of the committee did not agree with us and in which the Treasury staff did not agree with us. Let us take a power of appointment which allows a widow or some person to encroach upon the corpus of an estate, that is, spend a part of the principal of the estate; and I will illustrate: Suppose that one particular citizen who has an estate of three or four hundred thousand dollars, who has a large family, and who has some misgiving in his mind as to whether or not his wife could manage his estate; so he makes a will and gives his wife for her lifetime the entire income from his estate, with the property at her death to go to his children; suppose he makes a condition in his power of appointment to her that she may encroach upon the corpus of that estate as much as $10,000 in any year. He hesitates to say she must spend that $10,000 for clothing, or food; maybe he wants her to use it if she thinks she needs it for any purpose, and therefore he just leaves it blank, but just says she may in any year encroach to the extent of $10,000. Maybe he had in mind that we might have a depression, and that his estate, being invested in corporation stock, might produce no income, so he provided this way for her to have an income; maybe that is what he had in his mind, so he gives her the right to draw on the estate to the extent of $10,000 a year in any year. Suppose she lives 15 years after his death, but during that time lived frugally and did no touch a penny of the principal of the estate. Under the law as it exists at the present time, unless we pass this bill, if she should die and not take a cent of that money, the Bureau of Internal Revenue could come in and say: "Oh, yes, you had the right to get it," and they could take that 15 years times $10,000—that is $150,000—and add it to her estate and make her estate pay estate taxes on it, yet she had never gotten a penny of it. We have many cases like that. It has never been the intention,

I contend, and as the great majority of our committee contends, to tax that kind of a proposition. That is why we want to cure this.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Michigan.

Mr. DONDERO. On what theory is that basis sustained that they charge that up to her estate, although she never received a dollar of it?

Mr. CAMP. On the theory she had the right to it, therefore it was a power of appointment to herself—on the theory you have to tax an estate through every hand it passes.

Mr. DONDERO. If that theory were sustained a person could be taxed for that which he never received?

Mr. CAMP. That is exactly the point, and that is why this bill is here.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Taking the case the gentleman has cited, at the time the husband makes the transfer it was within his estate?

Mr. CAMP. Yes; and it was taxed.

Mr. CRAWFORD. It was taxed?

Mr. CAMP. Through his estate.

Mr. CRAWFORD. Through his estate?

Mr. CAMP. Yes.

Mr. CRAWFORD. Then at the time of the mother's death this is somewhat recaptured so far as the theory of the law is concerned?

Mr. CAMP. It will be taxed again.

Mr. CRAWFORD. Thrown in as a part of her estate. It pays a double inheritance tax as far as the estate is concerned?

Mr. CAMP. That is the way I see it, and that is the way the majority of our committee sees it.

The gentlemen who are opposing this contend that this makes a loophole. They contend that an estate has passed through her hands for 15 years and should be taxed again. I say to you that her living 15 years has kept the property out of the hands of the remaindermen, for 15 years and they will hold the property just that much shorter, and that the property can then be taxed again under the Federal estate tax.

Mr. DONDERO. Does this not result in one thing—that is, putting a penalty on frugality?

Mr. CAMP. That is true, it simply puts a penalty on frugality.

Mr. Chairman, I do not think I should argue this point any further. The committee has almost unanimously agreed to this bill. It is the solution and the clarification necessary to the power of appointment provisions of the Revenue Act of 1942. If there are any questions, I will try to answer them to the best of my ability.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from California.

Mr. JOHNSON. How did this situation arise so that it required the correction of the Congress? Was it because the internal revenue people began taxing this potential right of the woman to take this money?

Mr. CAMP. It is because in the act of 1942 these powers of appointment were not clearly defined. These are what they call invasion powers under which the holders of the powers can encroach on the estate. The definition as given by the Treasury would have taxed these people. We never allowed that to go into effect, however, as I believe our Chairman [Mr. DOUGHTON] has explained. We immediately postponed the operative date of the law during these 8 years to give people a chance to change their wills and to clarify the status of these estates. Now this bill will completely clarify the law along the line which the Committee on Ways and Means believes to be necessary. It should be enacted without delay.

Mr. REED of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the gentlemen who have already spoken, and the gentleman from Georgia [Mr. CAMP] especially, have explained this bill so thoroughly and answered questions with such clarity that there is not very much one can say now in greater support of the bill. We are dealing with one of the most vital subjects in the realm of property that we have. Men work, struggle, and sacrifice for what? Well, usually they have some loved ones, his family, and perhaps there is a bequest to take care of his relatives and friends, and perhaps others who had been retainers of his or who have performed some great service, or to educate some people. I have tried to explain this legislation as clearly as I could, and I do not know as I can add very much to what has already been said.

Mr. Chairman, the purpose of H. R. 2084 is to bring clarity, simplicity, and equity out of the confused and irrational tax treatment presently accorded powers of appointment under our Federal estate-tax laws. This remedial and corrective legislation which involves no revenue loss is long overdue and I am pleased to join with my distinguished colleague the gentleman from Georgia [Mr. CAMP] in urging that H. R. 2084 be enacted by the Congress with all possible dispatch.

The need for this legislation arises as the result of the unsatisfactory amendments relating to the taxation of powers of appointment by the Revenue Act of 1942. For 25 years prior to this act only an exercised general power of appointment was subject to the Federal estate tax. If the power of appointment was a special power, that is a power to appoint or dispose of property only among a limited class of persons, then the property subject to this limited or special power was not taxable. Let me pause at this point to explain in lay language what we mean by a power of appointment. A power of appointment is the legal terminology for a power or right given to a person by someone else to dispose of property either by will or by an inter vivos transfer. For example, a husband may by his will leave his property to his wife in trust for her life and at the same time provide in his will that she shall have a power to designate to whom the property shall go upon her death. In this case the wife is said to have a power of appointment because she can appoint or designate the person or persons to whom the property shall go on her death. In the case I have cited the wife is known as the donee of the power of appointment and it is always the donee's death that raises the question of whether another estate tax will be imposed upon the same property in the donee's estate. It should be borne in mind, of course, that the property subject to the power of appointment in the donee's estate has already been taxed once in the husband's estate, and this legislation deals only with the question of the circumstances under which the property will be taxed again in the donee's estate.

As I stated, for 25 years the only type of power of appointment which was taxed in the donee's estate was a general power, that is a power to select or appoint the property to anyone. In addition the donee of the power had to actually exercise this power and the property had to pass as the result of the exercise of the power. A power in the donee to appoint to only a limited class of people was never taxed in the donee's estate whether or not the power was exercised.

The 1942 Revenue Act changed the entire concept of taxing property subject to powers of appointment and as the result of this act and as the result of subsequent Treasury regulations, this field of taxation was thrown into a chaotic and wholly unsatisfactory state. Briefly stated, the 1942 act which applied to both powers already in existence as well as to future powers—that is, powers created after the passage of the act—made taxable a power of appointment whether it was general or special and whether it was exercised or not and without regard to any questions of whether the property passed as the result of the exercise of the power. The 1942 act provided that if a decedent "has at the time of his death a power of appointment," the property is taxable in his estate and the term "power of appointment" includes all powers except two: First, power to appoint among a class of persons which includes no one but the decedent's spouse, the spouse of the creator of the power, descendants of the decedent or his spouse, descendants of the creator of the power or his spouse, spouses of such descendants and charities; and, second, powers to appoint among a restricted class by a person who has no other interest in the property.

The first exception permits only powers of appointment within the family to be excluded from the estate tax and the second of the exceptions applies to what is commonly known as fiduciary powers. Unless the power of appointment is within these two classes the property is subject to another estate tax in the donee's estate. Moreover, not only did the 1942 act itself change the type of power of appointment which was subject to the estate tax but under subsequent Treasury regulations many ordinary powers of trustees were, or might be, construed to be powers of appointment subject to another estate tax con-

trary to the understanding of the entire legal profession for many years. Because the 1942 amendments were clearly inequitable the Congress has provided each year since that time for the tax-free release of powers of appointment created on or before October 21, 1942, the effective date of the Revenue Act of 1942. This was done in order to permit holders of previously created powers to adjust their affairs in the light of the 1942 act.

H. R. 2084 is not however an extension of time under which holders of pre-1942 powers may release them without incurring any tax liability, but it is at long last a solution to this problem. The bill is divided into two parts. The first part in effect restores the law as it existed prior to the 1942 act for those powers which were created on or before October 21, 1942. In other words, as to those powers which were created prior to the Revenue Act of 1942 only the exercise of a general power of appointment will be subject to tax. The second part of the bill deals with powers created after the passage of the 1942 act. As to these powers the bill subjects to estate tax a general power of appointment whether or not the power is exercised and subjects to gift tax the exercise or release of such power. The bill defines a general power of appointment as a power which is exercisable in favor of the decedent, his estate, his creditors, or creditors of his estate. This includes a general beneficial power to appoint by will and also certain rights in the donee to consume principal.

The committee's amendment to the definition of a general power retains the provision of the bill that a power must be exercisable in favor of the decedent, his estate, his creditors, or the creditors of his estate to be a general power. While the words "unlimited, unrestricted" have been eliminated from the definition by the committee amendment, the definition provides that, if certain limitations or restrictions are present, a power is not a general power even though exercisable by the decedent in his own favor. A power to consume principal which is limited by an ascertainable standard relating to the holder's health, education, support, or maintenance is not considered a general power. In the case of powers created on or before October 21, 1942, a power is not considered a general power if it is a joint power; that is not exercisable by the holder except with the consent or joinder of another person or persons.

A full discussion of the specific provisions of this remedial legislation is contained in the committee report. I do not feel therefore it is necessary for me to elaborate further. The basic objective of this legislation is to make the tax laws applicable to powers of appointment as clear cut and equitable as possible. H. R. 2084 achieves this objective.

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I hope the Members do not get the impression that this is merely a matter of simplification of the estate laws. It is a very complicated matter which is quite difficult to understand. I might also say at the outset I am certain there are some members of the minority who do not approve of all of the portions of the bill as presented to the House.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. BYRNES of Wisconsin. Because there apparently is some little confusion on the subject, I would like to state that as one of the members of the minority I do not agree wholeheartedly with the bill as presented or as reported, although I do want to say I do think something should be done and done soon by the committee to clarify the indefiniteness of the present status of these powers of appointment. I do not agree with the solution of this question as presented to the House.

Mr. EBERHARTER. I thank the gentleman from Wisconsin.

Mr. Chairman, because the matter is rather complicated and because I want to be very careful in making any statement regarding the effect of the bill, and being fortified also after listening to the statements already made in support of the bill, which I do not believe to be accurate, I have a prepared statement. I am sure nobody can take any exception to the technical aspects and to the effects of this measure as I will now present them to you.

Mr. Chairman, I rise in opposition to the bill. Much as I regret having to disagree with the gentlemen from Georgia, I am unable to support a measure which reopens a monstrous loophole in the estate tax law. That should be the title of this bill: "A bill to reopen a loophole."

Any Member of the House who votes for this bill will be voting in favor of tax exemption for the very wealthy. No ordinary citizen, no laboring or professional man, no person with a fortune of less than $120,000 will receive any benefit from this bill. The benefits will go solely to a few thousand very wealthy families.

This bill is being offered at a time when we know that many billions of new taxes are necessary. We are going to have to take a heavier toll upon the pay envelope of the wage earner and upon the interest coupon of the widow. Certainly, this is no time to approve any new tax exemption for the wealthy. I hope there is a roll call vote on this bill so that every citizen who has to pay higher taxes this year will know how his Congressman voted on this outrageous measure.

The committee report says that this bill simplifies the tax treatment of powers of appointment. Exemptions always simplify. What this bill does in fact is to exempt many powers of appointment from tax, encourage tax avoidance, and reopen a loophole which Congress closed in 1942.

Let me explain that a power of appointment is a right to designate the persons who shall take property. Ordinarily, where a person is given a power of appointment over property, he is also given the income from the property. A typical example of a power of appointment is the case where a father leaves a million dollars in trust to his son for life—that is, leaves property in trust so that his son shall have the right to the income for life—and also provides that at the son's death the property shall go to whomever the son designates in his will. This is in substance the equivalent of total ownership.

In 1942 Congress amended the estate tax law to treat the holder of a power of appointment as though he were the owner of the property. Those who saw their favorite loophole being closed pictured the 1942 amendments as a radical innovation. Actually, however, this was not true, for about 25 of the States, beginning with New York in 1897, had taxed property upon the death of the holder of a power of appointment.

When we change the tax laws, as we did in 1942, we usually make the change immediately effective. However, influential tax lawyers and their rich clients were able to prevent the 1942 changes from becoming immediately effective. They were able to get a grace period in which to dodge the tax collector. They have now had 9 years in which to dodge. However, this unprecedented tax relief has only made them more greedy. They are now using the grace period, which they were influential in obtaining, as an argument for reopening the pre-1942 loophole. In effect, they are now saying that so many of them have now dodged the tax collector that it is now unfair to tax those who have not dodged.

Mr. Chairman, I wish it were possible to go back and tax those who have been able to escape taxes since 1942 by giving up their powers of appointment. I wish it were possible to go back and make the 1942 amendments immediately effective. But I am not willing to agree that, merely because we have been tardy in putting a reform into effect, we should now scrap the reform entirely.

There is absolutely no consideration of fairness which justifies the broad tax relief offered by this bill.

What we did in 1942 was to discard a ridiculous statute which treated two kinds of practical ownership differently for estate and gift tax purposes. One kind of ownership resulted in tax, while the other kind, which was equally valuable, escaped tax. The 1942 amendment provided, in effect, that if a person wished to continue to enjoy the blessing of practical ownership he would have to pay tax. On the other hand, if a person wished to escape tax, he would have to give up his practical ownership within the grace period which was allowed. Many persons have already made their choice. Those who support this bill want to have their cake and to eat it; they want to hold on to the blessing of practical ownership and, at the same time, escape the burden of taxation. To give them this double benefit would be a serious breach of faith with the greater number who, taking Congress at its word in 1942, have already made their choice and given up their valuable powers of appointment.

It is claimed that the 1942 amendments were retroactive in effect. On the contrary, their effect has been postponed for 9 years. A less retroactive statute could hardly be imagined.

It is asserted that the pre-1942 loophole should be reopened because it is impracticable to review the wills and trust agreements which were already in force in 1942. However, as I have noted, this legislation affects only a few thousand of the wealthiest families. The wills and trust agreements of this same group of families had to be thoroughly reviewed in 1948 in connection with the $250,000,000 estate-splitting melon which the 1948 Revenue Act distributed among them. Although the 1948 will-drafting job was much more difficult than anything which will have to be done in connection with powers of appointment, no complaint was then registered. Apparently the task is less distasteful where a multi-million-dollar melon is being split than where a loophole is being closed.

I hope that each Member will carefully examine the minority report before he votes upon this bill. The example shown on page 7 of the minority report illustrates that, under this bill, powers of appointment might be used to exempt a large fortune from estate tax for about 100 years. The tax avoided by a single large estate might amount to millions of dollars.

Last year the Secretary of the Treasury told the Ways and Means Committee that about one-half of the property of wealthy families is being tied up in trust so that it will escape estate tax for perhaps a century. He recommended that legislation be adopted to close this loophole. Instead of closing the loophole, this bill opens it wider. In closing, let me repeat that no Member should vote for this bill to restore a tax exemption for the wealthy unless he is prepared to explain that action to the vast group of wage earners and other citizens who are being asked to shoulder heavier tax burdens at this time.

One final point, Mr. Chairman—I have been a member of the Committee on Ways and Means for nearly 8 years. During that time hearings have been held on many tax proposals pending before the committee. At many of these hearings there have been representatives of the section of taxation of the American Bar Association.

The testimony given by the representatives of the Bar Association has been singularly uniform in one important respect. Unlike representatives of other organizations appearing before the Committee on Ways and Means, most of whom at some time or other recommend something in the best interest of all people of the country, I challenge anyone to give me an instance in which the American Bar Association has ever made a recommendation in the field of Federal taxation that was of general application and benefit to any substantial number of the American public.

On the contrary, the recommendations at the public hearings and the legislation sponsored by the American Bar Association, of which H. R. 2084 is a typical example, invariably seek some tax relief or special privilege for a very limited group of taxpayers.

Indeed the performance has been so consistent in tone as to suggest that the name of the American Bar Association may actually have been used to further the best interest of the clients of the attorneys who represent the American Bar Association on tax matters.

Mr. Chairman, attorneys are officers of the court and as such they have an obligation of public service. When the lawyer leaves the court room and seeks to make his will felt upon the legislative process, it would seem not too unreasonable to expect him occasionally to demonstrate his interest in the public welfare and not exclusively on behalf of the clients whom he happens to have on retainers. I think it is high time that the tax section of the American Bar Association awaken to the manner in which the name of the American Bar Association, an organization ostensibly dedicated to advancement of the public good, is being exploited for private interest.

The American Bar Association has both the opportunity and the obligation of public service in the field of Federal taxation and now it is time that it started living up to its challenge.

On this point allow me to quote an eminent member of the bar, Dean Erwin N. Griswold, of the Harvard Law School, who in a speech to the tax section of the American Bar Association on September 18, 1950, said in part:

> I do not for the moment mean that the tax lawyer should not work for his client, help him minimize his taxes, and fight hard for him when necessary. * * * What I am saying is that I hope that tax lawyers will keep their perspective. They should sell their services to their clients. I hope they do, but not their souls.
>
> * * * The tax section has a great public responsibility which it is not yet fully meeting. In times when taxes must be high, it is most important that they should be fair and nondiscriminatory, that they should not be full of loopholes and special privileges. Yet right now, in the midst of a real shooting war, we are apparently about to enact a new tax law which contains some gross, almost crude, inequities. Where has the voice of the tax section been on these matters?

Mr. Chairman, this House should not encourage the tax lawyers in their present practices by enactment of H. R. 2084. The bill should be defeated.

Mr. BYRNE of New York. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from New York.

Mr. BYRNE of New York. Did the Treasury Department file a written report on this proposed amendment?

Mr. EBERHARTER. As indicated in my talk, I may say to the gentleman from New York [Mr. BYRNE], this matter has been before the committee every year for 9 years. We have never been able to arrive at any conclusion. But finally after discussing it a couple of days somebody made a motion and the recommendation of the American Bar Association was adopted. The Treasury Department is opposed to it. They did not file any written letter against the proposal, but I know that they are opposed to the measure in its present form.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Georgia.

Mr. CAMP. Does the gentleman know that the Treasury Department staff agreed with the American Bar Association in each and every point in this bill except the one point and that was the one regarding invasion of trust?

Mr. EBERHARTER. No, sir. The gentleman is confused about another measure that was being discussed at about that time. The Treasury Department is certainly definitely opposed to widening what should be a general trust, the general power of appointment through a special power of appointment; in other words, you are going to call it a special power of appointment. It practically amounts to a general power of appointment. If a man is a great granddaddy at the age of 60, he can designate life estates to his son and to his grandson, with the trust resting finally in the great grandson and the son, the grandson and the great grandson will never pay any estate tax. The gentleman from Georgia cannot deny that.

Mr. CAMP. We have 3 or 4 committee amendments which we reached agreement on after conference between the Treasury staff and the committee.

Mr. EBERHARTER. There may be agreement on some features of the bill.

Mr. CAMP. That is what I am asking the gentleman.

Mr. EBERHARTER. As the gentleman from New York [Mr. BYRNE] said, we cannot go along with that portion of the bill. I take it he means the section creating new loopholes for trusts if this bill becomes law.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. EBERHARTER. If the gentleman will permit me to make this statement, every tax lawyer in the country would immediately advise his client, having a considerable net worth after payment of all expenses and all taxes and all State taxes and everything else, to draw up one of these trust agreements and he would never have to pay any taxes for many, many a generation. That is the effect of this bill. I do not think the gentleman from Georgia appreciates that. He does not want that to happen. If I give away something and give them a right to do with it what they want, is that not the same practically as ownership of the property?

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Georgia.

Mr. CAMP. The gentleman says this opens loopholes. Why the act of 1942 has never yet taken any effect. We have kept it from taking effect every year, as temporary legislation.

Mr. EBERHARTER. That is right.

Mr. CAMP. This is not opening any loopholes at all; it is not opening anything.

Mr. EBERHARTER. The House passed this bill in 1942 closing this outrageous loophole and making it immediately effective. The committee on the other side reported it out in that form but on the floor of the other body an

amendment was offered to give them a grace period of 2 months. Now, for 9 years we have been allowing them to get away with this outrageous loophole whereby anybody that has a large net worth was putting it in a trust so that they would not have to pay estate taxes, so the net result is that the ordinary businessman and the working man and woman would have his personal-income taxes raised, and the wealthy would not have to pay as much in estate taxes.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. Was not that very argument that the gentleman is now using, the very criticism he is now making and the very objections he is now raising considered by our committee at length, and after due consideration of all the criticism and objections, after full and lengthy discussion. they were voted down by a majority of our committee?

Mr. EBERHARTER. I will say to the gentleman from North Carolina he will remember that at the time the vote was taken there was a very small attendance at the committee meeting. There were quite a number of absentees when the vote was taken.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Chairman, I trust the Committee will forgive me if I return momentarily to the pending bill which I support. I think the RECORD should be complete.

It has been my good fortune to have received at the hands of one of the most eminent members of the bar of the State of New York, William J. O'Shea, a memorandum which is intended to be a reply to the minority views filed in connection with the pending bill. I have read it carefully and have adopted those views as my own, as follows:

A REPLY TO THE MINORITY REPORT ON H. R. 2084 RELATING TO POWERS OF APPOINTMENT

The minority report makes the following main arguments against H. R. 2084:

First, the bill will encourage tax avoidance and cause serious loss in revenue;

Second, the tax on pre-1942 powers should not be confined to those which are exercised;

Third, the tax on future powers should not be confined to general powers;

Fourth, the lapsing during lifetime of a power to invade principal should be treated as a taxable transfer.

The Treasury representatives urged also before the Ways and Means Committee that a power should be considered a taxable power if exercisable in conjunction with any other person. However, they are apparently satisfied with the amendment which was made in committee under which a power is taxable if it is exercisable by the holder either alone or in conjunction with a person not having a substantial adverse interest, but is exempt if exercisable by the holder only in conjunction with a person having a substantial adverse interest.

I shall comment on the minority views in the above order.

1. THE EFFECT OF THE BILL ON THE REVENUE FROM ESTATE AND GIFT TAXES

The fallacy of the argument of the minority is that it is made to appear that if certain powers of appointment are made taxable and others are made exempt, property owners will continue to create powers of the taxable character, thus producing more revenue. As lawyers can testify who have drafted many wills and trust instruments since the enactment of the 1942 act, property owners seldom create powers which would result in causing the property to be taxed in the estate of the donee. If certain powers are made taxable and others are exempted, property owners in the vast majority of cases will create only those which are exempt. If all powers are made taxable, they will discontinue the use of powers and will resort to rigid dispositions of property with life estates and fixed remainders. This is undesirable, as is so ably pointed out by Professor Leach in his dissent—Fifty-second Harvard Law Review, page 961, to an article by Professor Griswold, Fifty-second Harvard Law Review, page 929—urging the amendments which were enacted in 1942 .

It is true, as the minority report says, that if property is left outright by each decedent, the estate tax will be greater than if each decedent leaves property in trust during the maximum permissible period. But that question is not related in any way to powers of appointment; it goes merely to the question whether the Federal estate tax should be abandoned and should be replaced by an inheritance tax patterned after the English system, which imposes a tax on property at the end of each generation of beneficial enjoyment. Such a tax was advocated by President Roosevelt around 1935 and was rejected by Congress.

The minority report, in its conclusion on page 8, makes an argument which is patently erroneous when it attempts to make it appear that recent amendments to the estate- and gift-tax laws have caused such a large loss in revenue that those taxes are no longer income-producing measures. Thus the statement is made that in 1939 and 1940 the yield of those taxes amounted to about 7 percent of the total internal revenue collections, while their current yield is little more than 1 percent. The truth is that the revenue from estate and gift taxes at the present time is at least as much and probably more than it was in 1939 and 1940. However, the total revenue from all sources in 1939 and 1940 was less than $10,000,000,000, while today it is around $50,000,000,000. What the report fails to say is that if the estate and gift taxes today should take 100 percent of all property given away during lifetime and all property left at death, the yield probably would be less than 7 percent of the total revenue yield. With the exception of the marital deduction provisions, enacted in 1948—which serve largely to postpone the tax—there has been no recent amendment to the estate- and gift-tax laws which has had any substantial adverse effect on the revenue from those taxes.

It is a recognized fact today that estate and gift taxes are not important revenue producers. They are looked upon by some as instrumentalities of social reform, useful for the purpose of breaking up large estates. On the other hand, advocates of sound revenue laws feel that their revenue yield is insufficient to justify their destructive effect and that they should be abandoned by the Federal Government.

2. THE ARGUMENT AGAINST TAXING PRE-1942 GENERAL POWERS ONLY IF EXERCISED

It is surprising that the Treasury representatives should return to the attack on the treatment of pre-1942 powers in H. R. 2084. They reported to Mr. Stam that they would abandon their objections to the treatment of those powers and would agree that such powers should be taxed only if exercised. Apparently they intended to indicate such agreement only if the bar association committee would agree to the Treasury proposals on other features of the bill.

The argument of the bar association committee against taxing unexercised pre-1942 powers is that when such powers were created the tax applied only where they were exercised, and that it would be unjust retroactive taxation to apply the tax where such powers are not exercised. The committee pointed out that those having knowledge of the existence of such powers could release them or cut them down to nongeneral powers, but that in many instances the donee of such a power dies without learning of its existence and that even where the donee knows of the existence of such power, if he does not have access to expert legal advice, he may not know that he can escape the tax by cutting down the power to an exempt power. Therefore, the committee said, the taxation of unexercised pre-1942 general powers would operate solely as a trap for the unwary. The committee pointed further to the difficulty of reviewing all wills and inter vivos trust instruments executed prior to 1942 in an effort to ascertain the existence of general powers.

The minority report attempts to refute this argument by pointing out that the Federal estate-tax law was first enacted in 1916, the tax was made to apply to property over which a decedent had a reserved power of appointment created prior to 1916. However, it is unsound to draw an analogy between a reserved power and a power derived from someone else. If a property owner has created a trust reserving to himself a power of revocation, he necessarily knows of the existence of the power, and the estate tax will apply at his death only if he chooses to retain the power. That is not always true of a donated power. Instances are frequently found where a donee of a power dies without learning that he has the power. Moreover, under the laws of some States, the right to release a donated power in whole or in part is open to question.

The minority report makes the further argument that it would be unfair to holders of pre-1942 powers who have already released them in whole or in part, if the statute is now changed so as to apply the tax only to an exercised pre-1942 power. It is doubtful that anyone

would have a right to complain of such change.

Those who have released or cut down pre-1942 powers have invariably done so pursuant to legal advice. In the case of each extension period allowed for releasing powers, lawyers have known that the period would not expire until a certain specified date. Before the expiration date, an extension has been granted. It has been the practice of all lawyers with whom I am familiar to point out to their clients that it is not necessary to make a decision on the release of a power until the expiration of the extension period. In my own experience, clients have said that they do not intend to exercise the power in favor of persons other than those within the exempt class of spouses, descendants, and charities, and that regardless of the extension period, they wished to proceed with a partial release. Others have executed complete or partial releases and have deposited them in escrow with their lawyers with instructions that they are to be delivered if no further extension is granted, but that they are to be retained if the grace period is extended. No one has a right to complain if he has taken a step which was unnecessary.

Moreover, the privilege of cutting down a general power to a nongeneral power during the extension period gives a positive advantage to the donee of the power. Under H. R. 2084, if the holder retains a general power, he may not exercise it without incurring tax. But if during the grace period he has cut down the power to a nongeneral power, H. R. 2084 makes it clear that he may proceed to exercise the power without incurring the tax. It is difficult to see how the new bill can be said to discriminate against those who have released pre-1942 powers.

3. THE OBJECTIONS TO THE TREATMENT OF FUTURE POWERS

The minority report objects strongly to the treatment of future powers in H. R. 2084. However, the report is careful to avoid stating what the differences are between H. R. 2084 and the Treasury proposals on the treatment of such powers. The differences are that H. R. 2084 would tax an exercised or unexercised power created after October 21, 1942, only if it is a beneficial power, that is, one which may be exercised in favor of the holder, his estate or his creditors; while the Treasury would tax an exercised or an unexercised power which is exercisable in favor of the holder, his creditors, or his estate or in favor of anyone falling outside of a restricted class, which is defined as a "class not unreasonably large."

The mere statement of the view that a power which may not benefit the holder should be considered a taxable power is its own refutation. The only justification for taxing in the estate of the donee property over which he has a power is that the power is so broad that it is equivalent to ownership of the property. Regardless of how broad the class of persons may be in whose favor a power may be exercised, if it may not be exercised so as to benefit the donee, there is no justification for treating the power as equivalent to ownership of the property.

Moreover, it will require years of litigation to determine what is a "restricted class" or a "class not unreasonably large." On the other hand, if the tax is confined to powers which are exercisable in favor of the holder, his estate, or his creditors, there can be no doubt about what powers are taxable and what are exempt.

The minority report attempts to muddy the water by pointing to decisions of the Board of Tax Appeals and lower courts under the pre-1942 law showing confusion on the definition of a general power. But even under the pre-1942 law, those decisions are no longer applicable, because it was held in *Morgan* v. *Commissioner* (309 U. S. 78 (1940)), that a power was a general power if it could be exercised in favor of the holder, his creditors, or his estate. Moreover, H. R. 2084 says in specific language that such powers are taxable.

Example 1 beginning at the bottom of page 5 of the minority report and statements in the last paragraph on page 7 make it appear that a power which may be exercised by a decedent in favor of anyone except his creditors would be an exempt power under H. R. 2084. This is not true. If the power may be exercised in favor of the decedent or his estate or his creditors, it is a taxable power; if it may not be so exercised, it is a nontaxable power, and no sound reason can be given why it should be considered a taxable power. The definition of a taxable power in H. R. 2084 is so plain that the efforts of the minority report to confuse the question cannot succeed.

4. THE TREATMENT OF A POWER TO INVADE PRINCIPAL WHICH LAPSES DURING LIFETIME

The minority report objects to the provisions of H. R. 2084 to the effect that if a power to invade or consume principal lapses during the lifetime of the holder, the mere failure to exercise the power is not to be considered a transfer of property for estate- and gift-tax purposes.

This provision is aimed at a situation where a husband, for example, leaves property in trust to pay income to his wife for life and gives the wife the noncumulative power to take $5,000, or some other small amount, each year from principal. The Treasury Department takes the position under the present statute that each year that the wife fails to exercise her power to take $5,000 from principal, she make a transfer of $5,000 reserving income to herself for life. The result is that the gift tax applies each year to a remainder interest in $5,000 which is a future interest to which the $3,000 gift-tax exclusion is not applicable—and that on her death the estate tax will apply to $5,000 multiplied by the number of years during which she has failed to exercise the power. It seems unjust to say that the gift and estate taxes should apply merely because the wife has chosen not to take an amount from principal and has permitted her power to lapse each year. Under H. R. 2084, if at the time of her death the wife has the right to take an amount from principal, the estate tax will apply to that amount; it is only the amount over which the power has lapsed during lifetime that the provision is applicable.

The minority report gives a few extreme examples of situations where this provision would deprive the Government of revenue to which it is entitled. The committee of the American Bar Association offered to compromise on this point by providing in the bill that the lapsing of a power during lifetime should not be considered a transfer if the power is limited to a small amount of say $10,000 a year or to a specified percentage of the trust fund of say 10 percent.

It is significant to note that, as shown by the minority report, the Treasury Department does not contend that the estate tax should apply to any pre-1942 power except a general power and that the Treasury appears to be in agreement with the provisions of H. R. 2084 which make the amendments applicable to estates of all decedents dying after October 21, 1942.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. KEOGH. I yield.

Mr. SABATH. Has the gentleman from New York made an inquiry from the Department of Internal Revenue as to whether they favor this bill? If he has, he would find that they are opposed to this bill.

Mr. KEOGH. Is the gentleman asking me or telling me what I have done?

Mr. SABATH. I am asking the gentleman.

Mr. KEOGH. That has been fully explained in the debate on the bill, but unfortunately we have got a little away from it at the moment.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. KEOGH. I yield.

Mr. COX. Has not the gentleman investigated sufficiently to state that the morals of the case are with the bill?

Mr. KEOGH. A vast majority of the committee felt so.

Mr. SABATH. In the gentleman's opinion.

Mr. REED of New York. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I have just listened with astonishment to my colleague, the gentleman from Pennsylvania [Mr. EBERHARTER] who is a member, of course, of the bar, and I assume a distinguished member. He has attacked one of the most honorable professions of this country, the American Bar Association. They have studied this problem over a long period of time, and they are men of conspicuous ability and integrity, men who have been leaders in their profession throughout the years. The legal profession, when you get right down to the basic facts, is the one profession that has a stabilizing influence on the laws affecting the property of the people in this country. This is not a new kind of attack wherever the distribution of property is involved. You notice how frequently they bring in the question of labor and that this is a bill to help the rich. This is just a bill to do equal and equitable justice, and that is all. The Committee on Ways and Means is a committee that has been in operation now for many years. Without casting any reflection on any other committee of the

House, I know of no committee that devotes more time and looks deeper into all the intricacies of legislation and tries to pass sound legislation that the Committee on Ways and Means.

Mr. Chairman, I now yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

IN THESE DAYS OF GREAT UNCERTAINTY THE REPUBLICAN PARTY MUST LEAD THE WAY

Mr. JENKINS. Mr. Chairman, a few days ago I made a short speech in which I attempted to show that the Government is spending entirely too much money. At that time I said that at a later date I would attempt to show that the Government is giving away entirely too much money. That is what I shall attempt to do at this time.

In the Presidential campaign of 1932, Franklin D. Roosevelt erupted frequently and violently against what he said were the extravagances of the Hoover administration. He promised to make great savings. He said then that "many governments have been wrecked on the shoals of loose fiscal policies." But just as soon as he took office he commenced to follow a course of extravagance that has characterized the New Deal and the Roosevelt family ever since—and has thrown upon the people a national debt far beyond anything that the wildest spender ever imagined. He also gave us a wizard hitherto unknown whose name was Harry Hopkins. This man said that the people "were too damned dumb" to know what was best for them and he tried to prove it. He gave to the country a political formula that has made him immortal. It is simple and easy to remember and difficult to forget, but terribly expensive. He said, "Tax, tax, tax; spend, spend, spend; elect, elect, elect." He proved the infallibility of this alluring formula, but he proved it at a terrific expense to the American people. His program of wasteful extravagance ran our national debt from less than twenty billion to more than $260,000,000,000 and our national budget from less than five billions a year to about fifty billions in peacetime.

Mr. Chairman, millions upon millions of this money was given away in the most shameful orgy of extravagant, dishonest, and unwise spending. WPA, PWA, NYA, and AAA and others of the numerous alphabetically designated agencies reeked with inefficient, dishonest, and wasteful activities. All this is now reflected in the colossal national debt.

WPA alone cost the taxpayers $10,500,000,000 and other similar work relief programs, including NYA, cost another billion and a half. The CCC cost almost $3,000,000,000 more. Another $9,500,000,000 has been paid out in the form of public assistance. Other billions have been given States and localities for public works projects, some providing enduring benefit but others of doubtful value. Many more billions have been given to the Nation's farmers who in the 1930's were paid for not growing crops.

In the postwar period, $16,000,000,000 have been spent for education, training, and other readjustment benefits of veterans. This does not include compensation and pensions or insurance refunds or hospital and medical care. While many veterans have received long-term benefits from these payments, most veterans agree that some of the funds have been wasted.

Now, more than ever, it is necessary to crack down on the recreational courses, fly-by-night schools, fraudulent training courses, exorbitant tuition rates, and excessive subsistence payments that have been made under various training programs.

Mr. Chairman, except for the war years about one-third of all our tax money has been going to these "gimme" agencies. The total would run into many billions. A great proportion was given with no chance for any profitable return. And much of it was given as subsidies and bonuses which were doubtful of merit, and have proved to be of only temporary value. Most of these handouts would in no way contribute to our military advantage at this time when the war clouds are gathering.

Mr. Chairman, the most expensive "gimme" program ever initiated by any country, yes, probably by all countries combined, has been our various foreign-aid programs. Lend-lease, European Recovery Act, military aid, foreign rehabilitation programs, United Nations Relief and Rehabilitation Administration, displaced persons, and numerous other programs have cost us many billions.

The contributions we have made to Russia would, if repaid, reduce our national debt by about twelve billions.

The aid that we have given Great Britain must have been forgotten by the British, by Dean Acheson, and Harry Truman when recently they gave ear to Britain's wish to have Red China admitted into the United Nations. The debt that Britain owes us was forgotten when Acheson and Truman gratified Britain by removing General MacArthur, which conduct on their part has been condemned by the tremendous ovations given General MacArthur by about 95 percent of the American people.

Mr. Chairman, a fair-minded committee of Congressmen actuated only by a desire to clean out these terribly expensive "gimme" activities could easily save our country $3,000,000,000 in the next fiscal year.

The European-aid program and the aid programs for all foreign countries have served their purpose but have been very expensive. Many persons who are familiar with the work of these organizations are now taking the position that all these economic-aid programs should be abandoned in the near future. They claim 3 months would be enough time to close up all these expensive programs. Some of these programs have been in operation for several years, and together have cost the United States $28,000,000,000 since July 1, 1945. This money was spent largely for two purposes, rehabilitation and preventing the spread of communism. The rehabilitation in some countries might work to our advantage, but much of it is now benefiting Soviet Russia. And while communism has been stayed in some countries, it still flourishes in many countries into which large sums of American money and suppies have been sent.

The President's budget for 1952 proposes to give away $16,600,000,000 of tax-collected dollars, $9,600,000,000 of this he expects to give away in this country and $7,000,000,000 in foreign countries. We do not know where he expects to spend the $7,000,000,000 that goes into foreign countries. It is likely that much of it will be wasted. We do know what he expects to do with the $9,600,000,000 to be spent in this country, and that very little, if any, of it will be spent for national defense purposes. And we do know that much of it can and should be eliminated during the present emergency.

The $600,000,000, for example, that the administration proposes to grant to the States for the construction of buildings, roads, and civil airports would encourage the type of construction that competes most directly with the defense effort for materials and manpower, and would be inflationary. More than $1,000,000,000 is planned in grants and aids for education, training, and health, including a new program of Federal aid to education. Congress has failed to approve that program in past years. Granting that many of these programs are meritorious, this certainly is not the time for increased expenditures in fields unrelated to defense.

Many of the business services provided by the Government should be made self-sustaining by charging their cost to the users rather than to the taxpayers. Probably the best example is the postal service in which equitable rate adjustments are now needed to offset increased costs.

Tax experts have estimated that a thorough reappraisal of huge Federal programs of aids, subsidies, and special services could yield savings of $3,000,000,000 during fiscal 1952. They say that this would go far toward restoring local responsibility and removing the Federal-aid programs that have resulted from the grant-in-aid system which has been increasing in cost every year of the postwar period.

Mr. Chairman, everybody loves Santa Claus, but a person with the give-away disposition of Santa Claus would hardly qualify as Secretary of the United States Treasury. The Roosevelt and Truman administrations prove this sad fact. There is an old adage in human affairs that has proved to be infallible. It is that a man badly in debt should be just toward his creditors before he is too generous toward others. As it is in human affairs so it is in national affairs. We should pay up before we pay out.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I shall be glad to yield to my colleague from Ohio.

Mr. BROWN of Ohio. I congratulate my colleague, the gentleman from Ohio,

for making a very sensible and very important statement on the floor of the House. I think he can rest assured his colleagues from the State of Ohio will support him in the stand he has taken for economy in the Federal Government and for a realistic approach to the problems which confront us.

Mr. JENKINS. I thank the gentleman very much. I am glad to think that my colleagues from Ohio will support my views. I shall be proud if that is the case for Ohio has a very capable congressional delegation.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, it is encouraging to note the administration's manifestation of agreement with General MacArthur on at least one important point, that Formosa must be saved from falling into the hands of the Chinese Reds. It is now announced that this conclusion was reached some time ago and a decision then made to dispatch a mission to assist in training and equipping the anti-Communist forces to resist attack. More recently, it has been decided to increase materially the size and strength of this mission.

Then last week, and surely belatedly, there was another development directly attributable to the pressures arising from the MacArthur incident when we proposed to the United Nations an embargo on arms shipments to our common enemies. What a commentary on the state of international morals that it should ever be necessary for us to take such a step.

It is to be hoped that other suggestions advanced by this peculiarly well-informed military leader will likewise be considered on their merits. If sound, their adoption should be expedited, as have these two significant moves, without veto simply because of the source of the recommendations.

While it is possible that the Chinese Communists, faced with stubborn resistance by United Nations forces, will fold up and silently steal away, that seems extremely unlikely. Almost equally unexpected would be any move evidencing willingness on their part to terminate their aggression on any terms which would be acceptable to us and which would not constitute complete betrayal of our announced objectives and pursuit of a fatal appeasement policy. There is no one of us who would not gratefully surrender any claim to accurate prophecy in exchange for the blessings of peace achieved through either of these channels, but we cannot fly in the face of all the available evidence.

In addition to these two remote possibilities, there are, of course, the alternatives of our complete withdrawal from Korea or our commitment to an indefinitely prolonged "limited" or "stalemate" type of warfare unprecedented in United States history and foreign to all our traditions, as well as entailing endless bloodshed and sacrifices and involving the concession that all our young men now in or on their way to Korea are expendable.

Barring the two remote possibilities outlined and rejecting the two other alternatives as unacceptable, we face, it seems to me, the inescapable conclusion that, sooner or later, several more, if not all of the MacArthur recommendations will have to be adopted in order to attempt to bring the Korean War to a close either by a convincing military victory or by forcing a settlement on just and honorable terms which will not simply furnish a standing invitation to the aggressors to strike elsewhere.

My plea is for a prompt and open-minded reconsideration by those in authority of the other proposals advanced by an experienced and resourceful military commander whose distinguished career entitles his views to respectful attention. Prompt it must be because precious lives depend upon the outcome and because, if the suggestions are sound, the quicker they are adopted the more likely that they will narrow, rather than enlarge the area of conflict and conversely, the longer their implementation is delayed, the greater is the likelihood of deeper involvement.

Thus, without criticism of those who made the final decisions, the soundness of many of which I confess that I shared at the time, it now appears clear by hindsight at least that had less restrictive conditions been imposed on the operations of our Far East Command, the hordes of Communist Chinese would never have entered the Korean conflict or would have been deterred at the outset from any such full scale operations as they have conducted. If the factual situations are similar, let us not make substantially the same mistake twice.

On the other side, self-restraint should be exercised by those of us who have been critical of the failure on the part of the administration to adopt any affirmative policy directed to the termination of the war. We must be careful not to prejudice the chances of acceptance of additional suggestions similar to the Formosa training and equipment program and the enforcement of an arms embargo against shipments to the enemy through premature and ill-advised taunts of "We told you so" or "We knew you would have come to that."

We are not dealing with any exact science. No one can be expected to have all the answers. If the administration has been woefully weak and tragically slow in the past to formulate policy, that is just ground for criticism, but let that debate take place a year hence.

The important thing now is for both sides to strive mightily to subordinate political advantage to the Nation's welfare. Admittedly that is difficult, especially for those in public life whose very calling steeps them in partisanship. Let it be remembered, however, that it is harder for those with whom the tide of popular favor is running to be asked not to press too strongly the advantage which is theirs, than it is for those whose popular esteem is at a low ebb to give consideration to a modification in their views to meet changed conditions.

No political labels attach to war, death, wounds, and suffering. Republican young men and Democrat young men are engaging the enemy, shoulder to shoulder in far-off Korea. Democrat loved ones and Republican loved ones here at home, worried and concerned, entertain a common hope and utter a common prayer for early, honorable, and lasting peace.

Let no false pride of authorship, no stubborn adherence to policies now demonstrably unrealistic, no professional or political jealousies among those in authority so blind our vision or unbalance our judgment that we allow ourselves to be deflected from choosing with speed, soundness, and definiteness the course best suited to serve the long-range interests of our country and then pursuing that course with fidelity and determination.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield.

Mr. MASON. I want to congratulate the gentleman from New York. I envy him the statesmanlike manner in which he has analyzed our international situation that has been brought about by certain occurrences; it was a magnificent analysis of the thing and we ought to follow through along that line.

Mr. KEATING. I appreciate the remarks of the gentleman from Illinois.

Mr. REED of New York. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WERDEL. Mr. Chairman, on the 4th day of this month my colleague from California [Mr. YORTY] made some remarks in the RECORD to which I believe a reply is necessary. I direct your attention to his remarks as they appear on page 4878 and recall to your minds that among other things he said that Mr. Raymond Moley had become a leading spokesman of the Republican Party. He then paid particular attention to a paragraph in one of Mr. Moley's news releases in which Mr. Moley pointed out that one of the greatest dangers to the Republican Party was peace in Korea. On that subject he quoted as follows:

> Their danger—
>
> That is the Republicans—
>
> lies in the chance, and it is more than a chance, that the Truman course will result in peace in Korea and rehabilitation of Japan.

This tactic by the gentleman from California reminds us of a similar tactic when President Truman called a well-known newspaper columnist an s. o. b. The American people were thus induced to believe that that columnist was reporting to them as the enemy of the President and his administration. That columnist could then appear to oppose

our present administration and still support its appointed incompetence, perverts, and demagogues in their sale of socialist and gimmie philosophies to the American people. The gentleman from California [Mr. YORTY] has deliberately deceived the American people. He has told them that a man who came into political existence and became nationally known in the newspaper field as a New Dealer is now the spokesman for the Republican Party. I certainly want it understood, Mr. Chairman, that neither Mr. Raymond Moley or any other newspaperman speaks for me. Nor do I believe any individual columnist or newspaper speaks for other men who oppose this administration. However, if Mr. Raymond Moley is opposed to the present minority group demagogues in the White House and the present administration who have stolen the political machinery of the great Democrat Party from its national level to the local precincts and who are now using it for their own political power and financial advantage, then Mr. Moley and I speak together each for ourselves on that subject.

My colleague from California is now in his first session as a Member of Congress. Even though he has heretofore served 6 years as a member of the California Legislature, it might be helpful to this House and to the gentleman from California if we point out the dangers incident to the publicity techniques in modern demagoguery.

I, myself, served in the California Legislature from 1943 to 1946. That was at the end of Governor Olson's administration when Communist agitation first became bold and widespread in California. It was about 5 years after the gentleman from California [Mr. YORTY] voted "yes" in the California Legislature on a resolution granting a full pardon to Tom Mooney. Tom Mooney had been convicted of bombing women and children in a San Francisco preparedness parade during the First World War. He was the martyr to stimulate Communist agitation in those years. Of course, that vote was the gentleman's own business. The press gave publicity to the vote as news. Editorial comment by the press was the business of the press. They were not necessarily the spokesman for the gentleman from California. If a Communist mouthpiece at that time in California, favorably reported the gentleman's action it did not necessarily mark the gentleman as a Communist. When the Western Worker advertised on May 24, 1937, that the gentleman from California was the speaker at a Los Angeles mass meeting of a committee for freedom of Mooney and Billings, they were not necessarily speaking for the gentleman. The gentleman spoke for himself at the meeting. The fact that the Communist Western Worker expressed an editorial policy similar in views to those expressed by the gentleman at the meeting did show that to that extent they supported the gentleman, but again the Western Worker was speaking for itself.

The same can be said for publications by the Open Forum and Epic News who on May 1 and February 1, respectively, in 1937 as left-wing newspapers advised their readers that the gentleman favored repeal of the California criminal syndicalism law and that the gentleman was to speak at an ultra left-wing school on February 4 of that year. Such papers were not speaking for the gentleman, unless the gentleman felt bound as a public official by left-wing-controlled press as Russians are bound by Tass. On July 19, 1937, when the Communist Western Worker advertised that the gentleman was the chief speaker for the American League Against War and Fascism and pointed out that the speech would be on the first anniversary of civil war in Spain on the topic American Responsibility Toward Maintenance of Spanish Democracy the paper spoke for itself. It is true that the paper probably expressed an area of agreement between the views of the gentleman and those of the paper. It spoke for itself.

Perhaps the same should be said in connection with the report in the Communist Western Worker in an issue for July 26, 1937. At that time they announced that the gentleman from California [Mr. YORTY] was the speaker for Workers Alliance, a Communist-dominated group of agitators. The Western Worker pointed out that the gentleman addressed the meeting before the agitators marched on WPA buildings, supervisors, and the city hall of Los Angeles. There again, the paper may have expressed agreement of view with the gentleman. It may have supported him, but what the gentleman said at the meeting that may have induced the mob to march in threatening manner on the city and county officials of Los Angeles, he said himself.

It would appear that a person of such extensive speaking experience as that of the gentleman should know that a free press and its writers do not speak for any political party in our free country. When the gentleman addressed the Youth Forum on October 19, 1937, at the First Unitarian Church he spoke for himself. When the Communist Western Worker announced on October 21, 1937, that the gentleman was on the executive committee of the California Committee of 100 for Political Unity, it was merely publicizing what purported to be a fact. The gentleman could have denied it then or he can deny it now. The point is, the gentleman either failed to speak for himself and deny the fact then or he can speak for himself now.

When the Communist Western Worker announced on October 25, 1937, that the gentleman was a sponsor of a petition to place a proposition for a unicameral legislature before the people of California at the next election and when in that issue they informed the Communist readers that the gentleman initiated the Little Wagner Act in the California Legislature for that year, they again were stating what was presumably a fact. It was news. They did not speak for the gentleman, unless he wanted them to. At that time, he could have remained silent or he could have spoken for himself and denied the truth of the purported facts. At the present time, he is still privileged to speak for himself on those subjects.

At still another time, at 8 p. m. on December 17, 1937, at the Philharmonic Auditorium under the auspices of the Southern California Committee for Freedom of Mooney and Billings, the gentleman spoke for himself on what he believed important issues before the people of California, the liberation of the martyrs convicted of bombing patriotic Americans, including women and children, in the First World War. So also when the gentleman addressed the convention of the Labor Nonpartisan League of California on December 11, 1937, at its convention in San Francisco, he spoke for himself. In any of these meetings, if the gentleman's remarks were intended to induce innocent listeners to contribute hard-earned money to demagogues masquerading as leaders of the working classes for the liberation of Mooney and Billings, he spoke for himself on important issues and techniques for political freedom.

On January 1, 1938, when the gentleman was quoted as follows:

> Los Angeles Assemblyman YORTY * * * has joined the progressive chorus hailing the transformation of the Western Worker into a daily paper on January 1. The labor point of view which includes the point of view of both organized and unorganized workers is something very rarely presented accurately by ordinary commercial papers. * * * I therefore congratulate the Western Worker upon its move to become a daily paper on January 1.

The paper quoting the gentleman was publicizing the purported fact. It did not speak for the gentleman. It quoted him. The gentleman was free then to speak for himself and deny that he felt the Communist Western Worker should be read by more people and at regular daily intervals.

It is also true that when the Communist Peoples World endorsed and sponsored the gentleman for the Los Angeles City Council for the Twelfth District on the front page of its May 2, 1939, edition, it did not say that the gentleman was a Communist, nor did it tell its readers that it spoke for the gentleman. It just gave the gentleman its support for reasons best known to the Communist paper. The gentleman was free at that time to speak for himself just as he is at the present time.

It is, of course, possible that the readers of the Peoples World assumed that the gentleman was a Communist. If those readers believed in a Russian-type controlled press speaking as Tass, they were probably justified in assuming that the gentleman's thinking was controlled by the expressions of the Peoples World. It is also true that the readers of other newspapers of California made assumptions in regard to the gentleman. Those assumptions were to some extent governed by editorial comments of the truly free press. If they spoke out against the gentleman, it was in opposition to his views. They, of course, were not the spokesman for him. If some of the free press and some of us in public life at that time in California doubted the gentleman's patriotic intentions and were wrong in that regard, it was because of faulty inferences drawn from what the gentleman did say or failed to say for

himself as his own spokesman. The gentleman can well understand that if newspapers and informed people, realizing the techniques in deception and demagoguery of the Communist leadership and press, knew that the gentleman had the opportunity to speak for himself and failed to, they would probably draw inferences against the gentleman. Those same people might have thought it peculiar that the gentleman would head a legislative committee to investigate communism less than a year after the Communist Peoples World had endorsed him for the City Council of Los Angeles. Those same people would wonder how the gentleman, a few months after such activities by himself and endorsements by Communist papers, believing in the overthrow of our Government by force and violence, could possibly become a captain in military intelligence even if the inferences to be drawn were faulty and the gentleman were a patriotic American. He must well understand that other patriots were concerned when he chose military intelligence as a war effort. I must admit that I am presently concerned when the gentleman supports the proposition that anything marked secret by some military officer closes the door to investigation by civilian officials of Government including the circumstances under which the gentleman became a captain in military intelligence. Perhaps, the answer is that someone in Washington issued an order that Russia was our ally and anyone believed to be pro-Russian with Communist inclinations was to be trusted as our friend. If such orders did exist, the gentleman can understand in his great loyalty to America that the origination of such orders should be investigated. To preclude that investigation because the person who issued the order had the power to mark it secret is an admission by this Congress that it is not to be trusted or fit to act and the American people are not fit to be free.

I am well aware as are many other people in California that in its November 5, 1942, issue in column 5 on page 2 the Peoples World called the gentleman a Red baiter. However, it is still true that the Peoples World was speaking for itself and was not the spokesman for the gentleman unless he wanted it to be. The patriots of California were doubtful because they believed that the Communist Party has its controlled press and that in California the Peoples World was its Tass. The patriots knowing the deceptions, half-truths, false statements and studied demagogery of communism, wondered then and many still wonder whether the Peoples World was not in fact speaking for the gentleman. The question to them was whether a deliberate attempt was being made by the Communist Party to give the able, clever and tricky gentleman from California sheep's clothing by branding him anti-Communist. It is true they did not call him an s. o. b., but they did call him a Red baiter and the technique is the same. Here again the gentleman could have spoken for himself.

There were other newspapers who have favored the gentleman with publicity. On June 7, 1949, the Los Angeles Examiner pointed out that the gentleman opposed the California loyalty bills. In their comments as in those of the Peoples World on the same day and later on the 27th day of June 1949, the paper spoke for itself. I am sure the gentleman does not take the position that the Los Angeles Examiner is his spokesman on political issues.

Perhaps the gentleman believes that some of the items mentioned by me are too old in a growing and changing democracy which by its Constitution binds this Congress to guarantee to the people a Republican form of government. I do not want to be unfair to the gentleman from the standpoint of dates. I hold here in my hand a more current expression by the Daily Peoples World. It is an editorial from the August 4, 1949, issue of the Communist Daily Peoples World. That, of course, is not yet 2 years old. The editorial is by Steve Murdock, staff writer for the Daily Peoples World. The title of the editorial is "YORTY Ushers in Day of Social Democrats." The article points out:

> His chummy relationships with the Despols are a good key to the smart, dapper little character. Because smart he is, and very adept at this business of making a true champion of the people.
>
> Take his voting records. He's the best example at large today of the fact that a legislator cannot be evaluated entirely by his voting record.

I assure the gentleman that I do not assume that either Steve Murdock or the Daily Peoples World is the spokesman for the gentleman. They complain that the gentleman supports totalitarian social democracy in California and is its leader reaching for leadership that should be totalitarian communism. The gentleman is and should be his own spokesman. He was privileged as a member of the California Legislature when the editorial was written to speak for himself or to refrain from speaking. He is privileged now as a Member of this body, constitutionally obligated to guarantee republican government, to speak out or to refrain from speaking. It is the gentleman from California [Mr. YORTY] and he alone who can say in a loud voice that it is not true that he is desiring to be a legislative spokesman for social democracy in California. He can say positively that he does not believe in socialism in any form whether it be military socialism or that creeping form requiring the delegation of powers of the legislature to the executive branch and the amendment of our Constitution by demagogic redefinition of words and phrases.

To be sure, I will admit with the gentleman that Steve Murdock may have been expressing the resentment of the Communist Daily Peoples World for the gentleman who sold them out in order to go his own way as a demagogic leader seeking power through deception. I am not concerned with their attitude nor am I concerned with the gentleman's military record. I am concerned with the gentleman's past record in public life and his present record so that I may determine where to place confidence. Even though the Communist Daily Peoples World is not the gentleman's spokesman, it has told its readers in effect that the gentleman's voting record is excellent from a Communist point of view but that the gentleman needs to be watched because he is a social democrat. I, therefore, caution the gentleman that when he makes remarks on the floor that some opportunity-seeking publicity expert is the spokesman either for myself or any other Member of this House, he is treading on hallowed ground. I am not only disturbed about the gentleman's remarks on the 4th of this month in that they warn me of deceptive techniques but I am concerned about other statements made by him which are apparently designed for political purposes and only state part of the truth. In particular, I refer to those remarks of his on the 10th of April of this year, which were remarks extended in the RECORD without oral statement on the floor 2 days after he issued a news release to the people of California falsely presenting the position that I had taken on the preceding April 3 in connection with the bill providing for amendments to the draft law and universal military training.

I, of course, expect Communists to be two-faced half of the time and half-faced the rest of the time. However, I accept the gentleman as a colleague, and as an honorable Member of this House. I therefore assume that he was either speaking for someone else as he stated Mr. Moley was or had not read my remarks before he prepared his own.

His remarks on April 10 are false when he says that I said "that our Armed Services Committee is furthering some kind of a plot." In closing my remarks, I pleaded "that our splendid committee on Armed Services convene forthwith and summon our top military leaders for a thorough-going and exhaustive examination of the policies which they are now pursuing." It is clear from my remarks that I referred to the policies being pursued by our present General Staff.

His remarks are half true and deceptive when he says that I am opposed to universal military training. In my remarks on April 3, I positively said that I was in favor of universal military training under the jurisdiction of our State Governors in peacetime. I suggested that we approach the subject through Title 32 of the United States Code where provision is made for the National Guard. I did oppose centralization of military manpower in Washington during peacetime.

When I made my remarks on April 3, I expected socialist thinkers to attempt to slander myself or to question how I came into possession of political documents marked classified by military socialists. I expected that technique rather than a willingness to discuss the authenticity of the instruments with which I documented my remarks. I also expected and still expect our Committee on Armed Services to investigate the extent to which civilian control of our military establishment is being lost.

The gentleman from California who by his voting record is a good Communist in the opinion of the Daily People's World, but who is not to be trusted in the opinion of that paper because he has emerged as the legislative spokesman for social democracy in California,

has by the record of this House at the end of 4 months' service emerged as the smear artist, using the expert techniques of totalitarian demagogues. His news releases of falsehoods 2 days before he would even extend his remarks is part of that technique. Careful reading of his remarks as set forth in the Appendix of the RECORD, commencing on page A1900, will disclose that while hiding behind a military service record, he patriotically asserts that because Joseph Stalin as head of one military socialist state, is opposed to its growth in this country unless he is top dog, no Member of Congress should publicly oppose the growth of military socialism in our General Staff.

The rest of his remarks of April 10 are apparently lengthy because he believes the short phrase "nonconstructive criticism" is outmoded and worn out for propaganda purposes. Assuming as I do that the gentleman prepared his own remarks without reading mine, I want to point out to him that my remarks were long and documented so that I might constructively indicate to the House the dangers to individual liberty occasioned by large centralized peacetime armies. I also constructively indicated that if we believed universal military training necessary, as I do, the proper road to follow to guarantee liberty was to leave peacetime control of military manpower at the State level. I not only indicated to the gentleman from California and this House the road on which you would not find liberty, but I pointed to the trail that we should follow, indicating its direction and markers.

In this regard, I will ask the gentleman from California to assume with me that in the history of the world there was a nation of great strength, Christian theology, self-reliance, and wealth. That a group of demagogues plotted together seeking pennies and the powers of junior commissars for themselves, with resulting titles purporting distinction. About 20 years of such demagoguery destroyed the country's self-reliance, consumed and threw away its accumulated wealth, and then sought to control the Frankensteins it had created by political bribery programs through an Oberkommando military brain and military courts. I will ask him to assume that the followers of these demagogs became so numerous in number that hundreds of them died each day and appeared before a celestial court.

I will ask him to assume that on one such day he, too, left this world and appeared before that court. As he faced the court, he saw inscribed on the walls the laws by which men should live if they are to have either free government or salvation. There would be "Thou shalt not steal" and "Thou shalt not covet thy neighbor's goods." He would hear the Defense Counsel point out that there is something charitable and Godlike and therefore Christian about socialism. However, he would hear the court say that Christian men must believe in family responsibility, thrift, and family life. That Christian men are to live according to law and order. That public officials in free government are bound to define new equitable rights arising because of changing economy and social conditions. They are bound to define those rights into law so that they can be enforced in local courts by poor men. He will hear the court say that it is no defense to arbitrarily seek political power by coveting your neighbor's goods through pressure groups called unions and political parties as a demagogue leading a mob.

Yes, he will hear the court say that it is no defense to contend that you were opposing communism when you willfully destroyed the security and self-reliance of family life by arbitrarily taking another man's property even though you used only economic and political force. The court will say that each of those actions taken by men bound in life and death under a Christian oath of office is an expression of uncontrolled passions and as such is damnable.

I will ask the gentleman from California to assume with me that he, like me, is human, and that for some reason he, too, received an adverse judgment by the court. That he left with the group on a pathway across the great divide under instructions to take the fork of the trail that led to hell. That through inadvertence or inability to see the signs, he and his colleagues took the wrong trail. That they eventually came to a high wall with a beautiful gate and when they sought admittance a gentleman with a long beard approached them and identified himself as St. Peter. He asked them where they were going, to which the gentleman from California and his colleagues replied that they were on their way to hell. Whereupon St. Peter told them that they were going in the wrong direction. That he had spent eons of time back of the walls. That he had talked with those residing there and that he knew hell was not in that direction.

Now I admit with the gentleman from California that whether or not St. Peter's remarks were constructive in the gentleman's mind would depend upon how big a rush he and his colleagues were in to get to hell. However, I also submit that in the mind of an innocent bystander peeking through the gate and seeing the gentleman's long tail under St. Peter's wings, and thus really knowing the gentleman was on his road to hell, the remarks of St. Peter would appear to be constructive.

I will also ask the gentleman to assume that—if St. Peter said—"many, many years ago we had a bunch of fakers here in heaven who sought power and prestige and who were damned to a place called hell, which the Creator had prepared for them. When they left under guard they went in that direction." If he indicated the direction, pointed out the mileposts and landmarks, I submit to the gentleman from California that St. Peter's remarks would be constructive advice in determining in which direction the gentleman and his colleagues might find hell.

Now, of course, the gentleman and his associates might loiter about the big gate, muttering about the reactionary ideas of God and His improper decision in regard to the facts and statement of the law. In that event, a button would be pushed calling forth Lucifer and his long-tailed guard to remove the gentleman and his colleagues under regimented military law for the purpose of just scorching his tail and singeing his feathers for a few thousand years.

Now I submit to the gentleman that in the Creator's nature of things that, too, might be constructive in the eyes of the innocent bystander who had carried his cross on earth and watch the gentleman and his colleagues depart in the indicated direction of hell. But in the mind of the gentleman and his colleagues, it might be destructive.

Mr. Chairman, I cannot take my seat without commenting about the standard socialistic smear tactic of this administration in its effort to build socialistic powers while crying "Beware of communism." We saw that in the campaigns of last year, when the uniform technique throughout the Nation was the identifying of opponents of socialism and this administration with our past colleague from New York, Mr. Marcantonio, because he found it necessary to vote with those stalwarts on a few occasions.

The same technique was that used by the gentleman from California in his remarks on April 10, when he sought to slander me by showing that Joe Stalin and his local Communists also opposed military Socialists. We, of course, are aware that a large segment of our people can be deceived by political chicanery and slanted news releases. That is particularly true if the demagoguery is cloaked with some official title indicating that the demagog has been elected by free people.

I want to indicate to the House certain existing conditions developed and practiced by the demagogues of this administration while crying "Wolf!"

First, this administration believes in the tactic of deceiving large segments of our people through slanted news releases, fear campaigns, and false reports. Communism supports those tactics. The gentleman from California used those tactics.

This Congress has delegated a large part of its power to be exercised by godless nonelected officials. This administration demands further power. Communism supports those demands. The gentleman from California supports those demands.

Our Chief Executive has surrounded himself with incompetent and corrupt advisers so that he cannot perform our delegated duties. Our Chief Executive defends his action. Communism supports those tactics. The gentleman from California defends those tactics.

We have locked up some traitors, but the big brain is yet unknown. This administration defended those traitors, covers up all evidence that might indicate the big brain. Communism is reputed to control that brain. The gentleman from California supports the administration's tactics and seeks to whitewash by smear.

The per capita portion of our national debt now exceeds the total assessed valuation of some counties. This is the result of the political bribery of our last

two Chief Executives. This bankruptcy is communism's greatest weapon against America. The gentleman from California supports all such bankrupting programs.

With each session of Congress we further oppress and depress our citizens. That is the purpose of this administration. That is the purpose of communism. The gentleman from California supports this administration.

We are exhausting our natural resources to buy disrespect abroad. Our President demands this self-abuse. This is part of communism's program for our destruction. The gentleman from California supports this destruction.

We have closed down our strategic metal industry and placed control of our stockpiles under our Secretary of Defense. This administration created that condition. The gentleman from California raises no objection.

We now find that we will either expand the national debt or apply ruinous taxation. Our President demands it. It is communism's program. The gentleman from California supports it.

We are destroying the self-reliance of Christian families by political bribery programs. This is the final purpose of communism. The program is supported by the gentleman from California.

We pay tribute to Russia and her satellites in an effort to buy friendship. Communism seeks the expansion of such expenditures. The gentleman from California raises no objection.

We allow leaders of enslaved groups to destroy law and order if they can turn over some votes. This is the political strength of our President. This is part of communism's program. It is supported by the gentleman from California.

We owe allegiance to a written Constitution which we here in this House are under oath bound to support. Yet we have two men on the Supreme Court bench appointed by this administration who say they are not bound by stare decisis. They would amend our Constitution by redefinition of words and phrases. Communism supports this tactic. The gentleman from California raises no objection.

We stumble along through public lies and self-deception. Our President supports this tactic. Communism supports it. By his remarks the gentleman from California supports it.

Spokesmen for this administration say American citizens cannot understand foreign policy and their Congressmen cannot understand reciprocal trade discussions. This is part of communistic philosophy. The gentleman from California raises no objection.

Our Commander in Chief sent our sons to die in Korea while permitting rubber, tin, copper, and steel to go to the factories of Russia and her satellites, including Communist China. Communism supports this program. The gentleman from California supports it.

Rather than admit past mistakes and set out on an honorable course, our President seeks military centralization to control his demagogues. This is at least socialism. The gentleman from California raises no objection and has assumed to be the spokesman in support of that program.

During the past 20 years, politicians of this administration have forced 12,000,000 American Christian families under autocratic control of trustees above and beyond the law. Communism supports this tactic. The tactic is socialistic. The gentleman from California supports it.

Since the last war, huge wage differentials have been forced into workingmen's automobiles, washing machines, shoes, clothing, and other articles as political pay-offs by this administration. Communism supports that tactic. It is a device leading only to socialism. The gentleman from California supports that tactic.

These nonelected labor bosses riding as Cossacks through the Halls of our Congress, dictating policy against the welfare of the American workingman, through political pressure force their personal desires upon our Government. Our President supports these men and their tactics. Communism supports these tactics. These tactics will lead to socialism. The gentleman from California supports these Cossacks.

Some Rasputin through pending military legislation demands this Congress subject the American people to autocratic powers to be exercised in war or peace so that Frankensteins may be controlled under military law. Our President supports this tactic. It is a communistic tactic. It is the tactic of totalitarian socialism. The gentleman from California supports the legislation.

Our Government permits so-called allies and associates of the United Nations to deliver lethal weapons to China to murder our sons. This is for the advantage of communism. The gentleman from California supports the policy.

Our Government ordered the Seventh Fleet to prevent free China from attacking Red ports where these lethal weapons were being landed and to prevent free China from seizing such ships and cargoes. The gentleman from California supports these orders.

When our policemen went to Korea, our President ordered the Seventh Fleet to protect Red China from attack by Chiang Kai-shek's forces. Red troops were thereby released to kill our sons in North Korea. The gentleman from California supports that policy.

Our Air Force is ordered not to destroy Red arsenals in Manchuria from which men and weapons flow to North Korea to kill our sons. Communism supports this policy. The gentleman from California supports it.

We make no demands on other members of the United Nations for anything other than good wishes. Communism is seated on the United Nations. It supports that policy. The gentleman from California supports that policy.

Our Government permits other members of the United Nations to make money by sale of military goods to others seated on the United Nations whose effort is to kill our sons. This, of course, is the policy of communism. The gentleman from California raises no objections.

A few weeks ago our administration wined and dined General Wu at the Waldorf-Astoria, while as a representative of Communist China he blasphemed our boys, our Government, and our country before the United Nations. General Wu was the past chief of staff of the commanding officer of the Red armies in North Korea. This was our President's banquet for the benefit of communism. The gentleman from California raised no objection.

Since our policemen arrived in Korea without the consent of this Congress, other members of the United Nations have run out on us. Our President raised no objection The action only aided communism. The gentleman from California is silent.

Our faithless friend and foreign enemy, Joe Stalin, received everything he wanted at Tehran and Yalta. Gifts to him were all secret because the American people are not fit to be free. Our administration participated in this chicanery. Communism received all it demanded. The gentleman from California supports the result.

Having achieved victory with the largest Navy, Air Force, and most powerful Army in the history of the world, we were secretly forced to only counterpunch against another man in high place through political demagoguery. Our present administration issued the orders. Communism gained. The free world lost. The gentleman from California is silent.

We urged the people of Yugoslavia to fight the Hitler-Stalin alliance. We then turned them over to the Comintern agent, Tito. Since then he has shot down American fliers, executed Mihailovitch, imprisoned Archbishop Stepinac, locked up American citizens for whom our Government did not plead. We then gave Tito more than $400,000,000 of the taxpayers' money. We bought his contempt and the contempt of the world. Surely, this involves subversives in our administration. It aided communism. The gentleman from California was silent.

By the Atlantic Charter we made promises to Poland, only to turn our back on her. After her destruction, we loaded millions on her Communist enslavers through UNRRA and the Export-Import Bank. Communism received the only benefit. The gentleman from California is silent.

Donald Hiss, the brother of Alger Hiss, is still a partner in the law firm which has been Dean Acheson's since 1922. Donald Hiss was also identified as the head of a Communist cell carrying on treason activities for communism against our people. He has received fees for that law firm handling claims for Poland against the United States. Such claims require an exercise of the discretion of our Secretary of State. Fees for that claim and similar claims by that law firm against the United States and paid indirectly by United States taxpayers total over $450,000. Our President refuses to discharge Dean Acheson. The administration does not try Donald Hiss for perjury. Communism supports these tactics. The gentleman from California rushes to the support of the administration.

At least a million of the citizens of Estonia, Latvia, and Lithuania had rights under the Atlantic Charter but are now in Siberian slave labor camps. Our Government stopped our Armies west of Berlin. Communism made demands. Our Government granted them. The gentleman from California is silent.

Our Government told Chiang Kai-shek to keep up the good fight and he would get back everything stolen from China. We sold him out and our friends in South China through a pro-Communist group in our State Department. Communism received all its demands. The gentleman from California was silent.

Free China kept 1,500,000 Japs off the necks of our soldiers. We then said they were Fascist, reactionary, corrupt, and praised the Communist-agricultural reformers, armed and trained by Russia to the knowledge of our Government. They are now liquidating our Chinese friends. Our State Department cooperated. Communism received the only benefit. The gentleman from California is silent.

We refused to take Chiang Kai-shek's offer of assistance in the fight for Korea because Red China might be induced to fight. For months now Red China has been killing our sons. Red China is in the fight by their own decision. Yet we still refuse the aid of Chiang Kai-shek. Our State Department issued the orders. Communism receives the only benefit. The gentleman from California supports the policy.

We have deserted American citizens in Hungary, Poland, and Yugoslavia. We turned over thousands of Russian escapees to certain death in Russia. We turned over thousands of prisoners of war to enslavery or death in Russia. Yet on the basis that previous Presidents of the United States have sent our soldiers and Marines to protect American lives and property, this administration seeking more executive power now claims the right to send whole divisions into police action without the consent of this Congress. This is the trail to socialism. The gentleman from California is silent.

Mr. Chairman, I oppose all of these policies, but, like Joe Stalin, I also oppose socialism for the United States.

In conclusion, Mr. Chairman, I would only repeat for the benefit of the gentleman from California [Mr. YORTY] that on these subjects neither Mr. Raymond Moley nor any other person speaks for me. I believe I express the views of many others who oppose the totalitarian demands of our administration. I only hope that the gentleman realizes that the way to liberty may require us to cross or come in contact with the paths of socialism and communism. I think we should avoid their tactics in this House and their policies. If we do not, the number of our constituents may grow as they chant the quotation of Sidney and Beatrice Webb "It is true that liberty is precious—so precious that it must be rationed."

I say to the gentleman from California in all sincerity that if he believes the best interests of our country demand socialism because our people were not fit to be free, he should say so boldly on the floor of the House so that we can debate the subject and carry the information to our people through honest news releases. It is the will of the people that will determine our destiny, and politicians, like lovers, should speak for themselves.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. YORTY].

Mr. YORTY. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. NICHOLSON. Reserving the right to object, Mr. Chairman, I am wondering if the gentleman could not wait 30 minutes and then have all the time he wants to take, because we have an important bill under consideration, and I think I will be constrained to object to the gentleman's speaking out of order.

Mr. DOUGHTON. There have been two speeches on that side out of order.

Mr. NICHOLSON. Mr. Chairman, I withdraw my objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. YORTY] is recognized for 10 minutes to speak out of order.

Mr. YORTY. Mr. Chairman, I hesitate to take up the time of this House. I do not blame the gentleman who was about to object. I would rather that this sort of debate, or whatever you might call it, would have taken place at a different time when a bill of this nature was not under consideration, because obviously it is not in order. But having been attacked in a very personal way, I think you will all understand I would want to say something about the attack made by the gentleman from California [Mr. WERDEL].

I will say that I do not blame him for being very disturbed toward me. I had occasion to answer some arguments that he placed in the RECORD not long ago, and he notified me at that time that I should come to the floor of the House, that he was going to answer me. I sat here with the documents to support my case for about 3 days. On one occasion he had the floor and he did not see fit to answer me. I do not think he will want to answer me now relative to his particular activities at that time.

As far as devotion to this Government is concerned, I might say, as one who headed the first official State committee ever created in the United States to investigate communism, I think my record on fighting communism will probably stand up with that of anybody in the United States. I was chairman of the California committee clear back in the days of Martin Dies, when most people thought that the things we were saying about the Communists were very crazy. Time has proved us right.

I might call attention to the fact that the report I wrote on world communism in 1940 was reprinted by the California Legislature in 1950 and redistributed because they thought it had enough merit that it should be widely circulated.

In addition to that, I do not know where the gentleman from California [Mr. WERDEL] was during the war, but I know that I was a combat intelligence officer and spent 2 years in New Guinea, where I had a great deal to do with classified documents of the United States Government. As a matter of fact, at one time I was a code and cipher officer, which is our most secret branch of the service, as you all know. Therefore, like all intelligence officers, having been thoroughly investigated by all security agencies of the Government, including the FBI and Army Intelligence, before being entrusted with classified information, I would like to ask the gentleman what he was doing while I was in New Guinea performing my duties.

That brings me to the point that is the reason for his attack upon me. Before coming back here to the Congress last year, I received a telegram. It was very interesting—especially to one who had made a study of Communist techniques.

It advised me that a Southern California Peace Council had been formed, and that the purpose of this council was to fight the universal military training program which it said is now called the Guderian plan. It pointed out that one of our national magazines has mentioned a plan developed by Heinz Guderian. This turned out, in fact, to be a study of not only the German technique but also an analysis of what he thought were our mistakes in the last war. The document was in the hands of our military people. It was only natural that we would want to ask our enemies whom we had captured to tell us what they thought we had done that was wrong so we would not make those mistakes again. The analysis was prepared for the historical division by Heinz Guderian—one of Hitler's chiefs of staff, I think his last one. It was a classified document circulated among our military people purely and simply as an educational proposition. For obvious reasons it was not made public, at least, until the gentleman from California obtained a copy of it—how I do not know. When the Communists learned of the document they seized upon the fact that we had asked Guderian to make the study in order to develop their technique of calling universal military training the "Heinz Guderian plan." This is psychological warfare. It is psychological warfare because they knew that if they could associate in the public mind the words "Heinz Guderian" with universal military training they could prejudice the public against universal military training and weaken our determination to stay strong. Just by this association of ideas, if successful, they would have created opposition to universal military training in the mind of any American who came to think of it as the Heinz Guderian plan. So it was a very nefarious scheme and one that immediately attracted my attention. I personally, and with another gentleman, went over

to the Southern California Peace Council office to see what kind of an office it was, being very certain that it was another one of the Communist phony peace councils. I found there on the door nothing but a piece of paper that said "Southern California Peace Council." They had not even opened up for business, yet they were sending out this propaganda.

The telegram was followed in a day or two by a letter which I have here and which I placed in the RECORD some time ago. In this the traitors went even further by attacking our American military leaders and, of course, again emphasizing that universal military training was in fact the Heinz Guderian plan. I felt that they would most certainly adopt this technique in other parts of the United States in their effort to defeat universal military training. So on three occasions I inserted in the RECORD of this House articles dealing with this particular subject, and showing that at a meeting in Los Angeles of this very council which was called for the purpose of discussing the Heinz Guderian plan, as they call it, they would not even let a reporter from one of our daily newspapers take notes; they ushered him out.

We all know, of course, that the Communists are not opposed to universal military training except in the United States or the free nations. We all know that they have universal military service in Russia and behind the iron curtain. But I felt there was a danger that some people might be misled by this particular Communist scheme and by the petitions they started circulating asking people to sign them and send them to their Congressmen, telling the Congressmen to vote against the Heinz Guderian plan.

As the situation developed these organizations did begin to spread out. With that background and having pointed out to the Congress three times the nature of this insidious Communist scheme you can imagine how surprised I was when the gentleman from California [Mr. WERDEL] inserted in the RECORD a long speech divulging the contents of secret or classified documents—I do not know where he got them—which documents were supposed to support his argument that universal military service was based on the Heinz Guderian plan. He did exactly what I had warned on three occasions the Communists were trying to do. I was shocked to find that a representative of the Republican Party would be so misled as to insert in our CONGRESSIONAL RECORD a most vicious attack on the Joint Chiefs of Staff and an attack on universal military training based upon the argument that the Communists used, that it was the Heinz Guderian plan.

I call the attention of the Members of the House to the fact that George Washington himself espoused universal military service for the reason that he did not believe in a large permanent standing army. But there is another angle to this. I fought under the Joint Chiefs of Staff of the United States and I think we have some of the finest military leaders in the world. I do not see how any soldier can maintain his morale in the field if he does not think he is fighting under competent men whose leadership is competent and whose program will bring about victory for his own country. I know how I would have felt had I been convinced that the Joint Chiefs of Staff in the United States was not composed of competent military leaders.

I was in General MacArthur's command. Most of you know that we were not, during a great part of the war, a very important command. I admit that very frankly. We were in the Southwest Pacific. We were based mainly in Australia and in New Guinea. We sat in New Guinea a long time. We could not move forward rapidly because we did not have the supplies and men. It was not thought by the Joint Chiefs of Staff that we should have the amount of men and material that we felt we needed because they thought the main job was to defeat the Nazis in Europe, and then take care of Japan. I will confess that while I was perspiring in New Guinea for what seemed an eternity, I sometimes wondered if they were not wrong about that. I thought they should give us a little bit more to fight back with in the Pacific.

You must remember in this connection that at that time the commander in chief of the Pacific Ocean area was Admiral Nimitz and under his command in the South Pacific was Admiral Halsey. They were doing a tremendous job of trying to cut right straight across the Pacific toward Japan. And as it turned out, after I came home, and my perspective improved, I realized that the Joint Chiefs of Staff, General Marshall, and those who were directing our war effort had, as a matter of fact, used a wise over-all strategy. The proof of that is the fact that Japan collapsed shortly after Germany was knocked out of the war. I say that because I think it is important that we maintain confidence in our Joint Chiefs of Staff and in our military people. I think their integrity is actually beyond reproach. Yet, the gentleman from California when he attacked the universal military service, and called it the Heinz Guderian plan, also made a vicious attack on the Joint Chiefs of Staff.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. YORTY. Mr. Chairman, the title of his speech on that occasion was "Our Growing Prussian Staff" and on page 3224 of our RECORD he stated:

> Before I take my seat this afternoon I intend to present documents and evidence which I am confident will induce other Members of the House to agree with me in my assertion that we have the Hitlerian general staff in operation today.

Mr. Chairman, that is the kind of a subversive attack upon the military leaders of the United States I felt it was my duty to answer. Especially I felt it was my duty to do so because I had pointed out on three prior occasions that it was exactly the technique of the Communists in the United States. We expect them to use such technique and to spread such malicious propaganda. We are sorry and surprised when a Member of the House falls victim to Communist propaganda and puts it in our RECORD so that Communists all over the world can quote—not some Communist—but can quote a Member of the House of Representatives of the United States, quote him as saying that we are trying to put the Prussian plan into operation in the United States, that we are adopting the Heinz Guderian plan and that we already have a Prussian general staff.

In addition to that, I also felt it was extremely unwise for the gentleman to take it upon himself to declassify military documents. He said in his talk that he was using classified documents. I have never been able to find out why he felt he was competent to declassify those documents and put them in the RECORD. I tell you, based upon my experience as an intelligence officer and as one who worked with codes and ciphers, that it is an extremely dangerous thing for an unauthorized person to do. It is an extremely dangerous thing for even an intelligence officer to do unless he is dealing with documents with which he is thoroughly familiar and which he has been properly authorized to declassify. The proof of this is the fact that in our own Senate hearings, some of the material that is now being released as proper for declassification at this time is first changed around so that the order of it does not coincide with the code or cipher messages when they were transmitted. How is a layman, or even an intelligence officer, who has not worked with the documents to know what form those documents were transmitted in? A violation of security rules is an extremely dangerous thing when you consider that every radio message most likely is intercepted by our enemy, the same as we try to take down every one of theirs. It is extremely dangerous when you realize that secret ciphers can be broken. Breaking a cipher is only a matter of time, and anything that the enemy can get their hands on that shows him the form of the message will shorten that time considerably and perhaps make it possible for him to break a later cipher in a shorter time. So far as a code is concerned, it is a most vulnerable means of communication if the enemy gets his hands on any of it, because a code is based, as you know, upon a set system of words or letters, so once an enemy gets the key or has some of the words, he may break every message. I sat on New Guinea and read the Japanese mail. That is how we got Yamamoto and I was surprised and chagrined when it was disclosed after the war that we broke the Japanese code. It was a secret that we most certainly should have kept, and when I was sent home under the rotation plan it was one of the two most important secrets that we did not talk about. We were cautioned not to. But somewhat later that information came out. I am sorry it came out, because our enemies in the future will be a little more chary about their codes and our opportunity of breaking

them will be a little bit less. Yet, here we have a gentleman, whose service record I do not know anything about, I do not know whether he knows anything about codes or ciphers, who takes it upon himself to prove that we are Prussianizing this country by adopting the Heinz Guderian plan purporting to prove it by inserting classified documents in the CONGRESSIONAL RECORD. I think that is a danger to the security of the United States, and I so pointed out in my remarks about the gentleman's speech. I did say, and I repeat, that the gentleman is a fine, loyal American. I am sorry that he allowed someone to mislead him. I know he thought he was going to get great national publicity as the spokesman for those who wanted to defeat universal military training, as the spokesman for those who would like to have some people believe, and I think for political purposes, that we are trying to Prussianize the United States.

I do not believe for a minute that the Joint Chiefs of Staff of this Nation are men who would Prussianize the United States. I think they are devoted to democracy. I think their responsibility in this day and age is almost beyond our ability to comprehend, especially when you consider that these Joint Chiefs must be prepared to fight not only probable enemies, but every possible combination of possible enemies, when you consider that they must be able to repel any kind of an attack, that they must be able to retaliate against any kind of an attack, that they must be able to deploy our forces in any kind of weather, in any kind of climate, in any place in the world, and that they must plan to do all this in consonance with the economic welfare of the United States—in other words, how much we can afford at any one time. They must also constantly try to make a difficult calculated guess as to when we might have to use any force that we raise. All of this sort of thing casts responsibility on them that few of us would want. I think they are discharging that responsibility with honor to their country and to themselves, and I resent deeply these rash and irresponsible attacks on the Joint Chiefs of Staff such as was made by the gentleman from California. I do not blame him for not wanting me to point these things out. I am sorry to have to do so. But if he makes a similar attack upon me in the future I will not fail to answer him, and to explain the real reason for his venomous distortion of my record—his insidiously clever and studied distortion of it. He has stooped very low. I am, of course, flattered by his attention, but as far as I am concerned personalities mean nothing. I am interested in the security of the United States. I do not think laymen or unauthorized persons should put secret classified documents in the RECORD. I do not think a Congressman should call our Joint Chiefs Prussian. I do not think a Congressman should call our proposed universal military training plan the Heinz Guderian plan, thereby earning the plaudits of the Communists all over the world and causing them to shout with glee over the success of their subversive propaganda.

I regret that the gentleman saw fit to ask for time in which to attack me personally and to precipitate this debate. I am sorry he has compelled me to tell you why he did so.

The CHAIRMAN. Under the rule, the bill is considered as read for amendment.

The bill is as follows:

Be it enacted, etc., That this act may be cited as the "Powers of Appointment Act of 1951."

SEC. 2. Estate Tax—Powers of Appointment.

(a) Section 811 (f) of the Internal Revenue Code (relating to powers of appointment) is hereby amended to read as follows:

"(f) Powers of Appointment:

"(1) Property with respect to which Decedent exercises a general power of appointment created on or before October 21, 1942: To the extent of any property with respect to which a general power of appointment created on or before October 21, 1942, is exercised by the decedent (1) by will or (2) by a disposition which is of such nature that if it were a transfer of property owned by the decedent, such property would be includible in the decedent's gross estate under subsection (c); but the failure to exercise such a power shall not be deemed an exercise thereof.

"If before July 1, 1951, or within the time limited by paragraph (2) of section 403 (d) of the Revenue Act of 1942, as amended, in cases to which such paragraph is applicable, a general power of appointment created on or before October 21, 1942, shall have been partially released so that it is no longer a general power of appointment, the subsequent exercise of such power shall not be deemed to be the exercise of a general power of appointment.

"(2) Powers created after October 21, 1942: To the extent of any property with respect to which the decedent has at the time of his death a general power of appointment created after October 21, 1942, or with respect to which the decedent has at any time exercised or released such a power of appointment by a disposition which is of such nature that if it were a transfer of property owned by the decedent, such property would be includible in the decedent's gross estate under subsection (c); but if such a power lapses during the life of the individual posssessing the power, the failure to exercise such power shall not be deemed an exercise or a release of the power. A disclaimer or renunciation of such power of appointment shall not be deemed a release of such power.

"For the purposes of this paragraph (2) the power of appointment shall be considered to exist on the date of the decedent's death even though the exercise of the power is subject to a precedent giving of notice or even though the exercise of the power takes effect only on the expiration of a stated period after its exercise, whether or not on or before the date of the decedent's death notice has been given or the power has been exercised.

"(3) Definition. For the purposes of this subsection the term 'general power of appointment' means only an unlimited, unrestricted power which is exercisable in favor of the decedent, his estate, his creditors, or the creditors of his estate.

"If the decedent is legally accountable for the exercise or nonexercise of a power, such power shall not be deemed a general power of appointment. A power which is exercisable by the decedent only in conjunction with another person shall not be deemed a general power of appointment. A power to consume, invade, or appropriate property for the benefit of the decedent which is limited by an ascertainable standard relating to the health, education, support or maintenance of the decedent shall not be deemed a general power of appointment.

"(4) Creation of another power in certain cases. To the extent of any property with respect to which the decedent (1) by will or (2) by a disposition which is of such nature that if it were a transfer of property owned by the decedent, such property would be includible in the decedent's gross estate under subsection (c), exercises a power of appointment created after October 21, 1942, by creating another power of appointment which under the applicable local law can be validly exercised so as to postpone the vesting of any estate or interest in such property, or suspend the absolute ownership or power of alienation of such property, for a period ascertainable without regard to the date of the creation of the first power."

(b) Date of creation of power: For the purposes of this section a power of appointment created by a will executed on or before October 21, 1942, shall be considered a power created on or before such date if the person executing such will dies before July 1, 1949, without having republished such will, by codicil or otherwise, after October 21, 1942.

(c) Effective date: The amendments made by this section shall be effective as if made by section 403 of the Revenue Act of 1942 on the date of its enactment (applicable with respect to estates of decedents dying after October 21, 1942).

SEC. 3. Gift Tax—Powers of Appointment

(a) Section 1000 (c) of the Internal Revenue Code (relating to powers of appointment) is hereby amended to read as follows:

"(c) Powers of Appointment:

"(1) Exercise of general power of appointment created on or before October 21, 1942: An exercise of a general power of appointment created on or before October 21, 1942, shall be deemed a transfer of property by the individual possessing such power; but the failure to exercise such a power shall not be deemed an exercise thereof.

"If before July 1, 1951, or within the time limited by paragraph (2) of section 452 (b) of the Revenue Act of 1942, as amended, in cases to which such paragraph is applicable, a general power of appointment created on or before October 21, 1942, shall have been partially released so that it is no longer a general power of appointment, the subsequent exercise of such power shall not be deemed to be the exercise of a general power of appointment.

"(2) Powers created after October 21, 1942: The exercise or release of a general power of appointment created after October 21, 1942, shall be deemed a transfer of property by the individual possessing such power; but if such a power lapses during the life of the individual possessing the power, the failure to exercise such power shall not be deemed an exercise or a release of the power. A disclaimer or renunciation of such a power of appointment shall not be deemed a release of such power.

"(3) Definition: For the purposes of this subsection the term 'general power of appointment' means only an unlimited, unrestricted power which is exercisable in favor of the individual possessing the power, his estate, his creditors, or the creditors of his estate.

"If the individual possessing a power is legally accountable for the exercise of nonexercise of the power, such power shall not be deemed a general power of appointment. A power which is exercisable by an individual possessing it only in conjunction with another person shall not be deemed a general power of appointment. A power to consume,

invade, or appropriate property for the benefit of the individual possessing the power which is limited by an ascertainable standard relating to the health, education, support, or maintenance of such individual shall not be deemed a general power of appointment.

"(4) Creation of another power in certain cases: If a power of appointment created after October 21, 1942, is exercised by creating another power of appointment which under the applicable local law can be validly exercised so as to postpone the vesting of any estate or interest in the property which was subject to the first power, or suspend the absolute ownership or power of alienation of such property, for a period ascertainable without regard to the date of the creation of the first power, such exercise of the first power shall, to the extent of the property subject to the second power, be deemed a transfer of property by the individual possessing such power."

(b) Date of creation of power. For the purposes of this section a power of appointment created by a will executed on or before October 21, 1942, shall be considered a power created on or before such date if the person executing such will dies before July 1, 1949, without having republished such will, by codicil or otherwise, after October 21, 1942.

(c) Effective date: The amendments made by this section shall be effective as if made by section 452 (a) of the Revenue Act of 1942 on the date of its enactment (applicable with respect to gifts made in the calendar year 1943 and succeeding calendar years).

With the following committee amendments:

Page 3, line 20, strike out all of subsection (3) and insert the following:

"(3) Definition of general power of appointment: For the purposes of this subsection the term 'general power of appointment' means a power which is exercisable in favor of the decedent, his estate, his creditors, or the creditors of his estate; except that—

"(A) A power to consume, invade, or appropriate property for the benefit of the decedent which is limited by an ascertainable standard relating to the health, education, support, or maintenance of the decedent shall not be deemed a general power of appointment.

"(B) A power of appointment created on or before October 21, 1942, which is exercisable by the decedent only in conjunction with another person shall not be deemed a general power of appointment.

"(C) In the case of a power of appointment created after October 21, 1942, which is exercisable by the decedent only in conjunction with another person—

"(i) if the power is not exercisable by the decedent except in conjunction with the creator of the power—such power shall not be deemed a general power of appointment.

"(ii) if the power is not exercisable by the decedent except in conjunction with a person having a substantial interest in the property, subject to the power, which is adverse to exercise of the power in favor of the decedent—such power shall not be deemed a general power of appointment. For the purposes of this clause a person who, after the death of the decedent, may be possessed of a power of appointment (with respect to the property subject to the decedent's power) which he may exercise in his own favor shall be deemed as having an interest in the property and such interest shall be deemed adverse to such exercise of the decedent's power.

"(iii) if (after the application of clauses (i) and (ii) the power is a general power of appointment and is exercisable in favor of such other person—such power shall be deemed a general power of appointment only in respect of a fractional part of the property subject to such power, such part to be determined by dividing the value of such property by the number of such persons (including the decedent) in favor of whom such power is exercisable.

"For the purposes of clauses (ii) and (iii) a power shall be deemed to be exercisable in favor of a person if it is exercisable in favor of such person, his estate, his creditors, or the creditors of his estate."

Page 6, line 13, insert quotation marks at the beginning of the line.

Page 8, line 20, strike out all of subsection (3) and insert the following:

"(3) Definition of general power of appointment: For the purposes of this subsection the term 'general power of appointment' means a power which is exercisable in favor of the individual possessing the power (hereafter in this paragraph referred to as the 'possessor'), his estate, his creditors, or the creditors of his estate; except that—

"(A) A power to consume, invade, or appropriate property for the benefit of the possessor which is limited by an ascertainable standard relating to the health, education, support, or maintenance of the possessor shall not be deemed a general power of appointment.

"(B) A power of appointment created on or before October 21, 1942, which is exercisable by the possessor only in conjunction with another person shall not be deemed a general power of appointment.

"(C) In the case of a power of appointment created after October 21, 1942, which is exercisable by the possessor only in conjunction with another person—

"(i) if the power is not exercisable by the possessor except in conjunction with the creator of the power—such power shall not be deemed a general power of appointment;

"(ii) if the power is not exercisable by the possessor except in conjunction with a person having a substantial interest, in the property subject to the power, which is adverse to exercise of the power in favor of the possessor—such power shall not be deemed a general power of appointment. For the purposes of this clause a person who, after the death of the possessor, may be possessed of a power of appointment (with respect to the property subject to the possessor's power) which he may exercise in his own favor shall be deemed as having an interest in the property and such interest shall be deemed adverse to such exercise of the possessor's power;

"(iii) if (after the application of clauses (i) and (ii)) the power is a general power of appointment and is exercisable in favor of such other person—such power shall be deemed a general power of appointment only in respect of a fractional part of the property subject to such power, such part to be determined by dividing the value of such property by the number of such persons (including the possessor) in favor of whom such power is exercisable.

"For the purposes of clauses (ii) and (iii) a power shall be deemed to be exercisable in favor of a person if it is exercisable in favor of such person, his estate, his creditors, or the creditors of his estate."

Mr. CAMP (interrupting the reading of the committee amendments). Mr. Chairman, since the committee amendments are published in the majority report, I ask unanimous consent that the further reading of the committee amendments be dispensed with and that they be printed at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rose.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2084) relating to the treatment of powers of appointment for estate and gift tax purposes, pursuant to House Resolution 206, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MEDFORD, MASS., HIGH SCHOOL BAND

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GOODWIN. Mr. Speaker, when a group of individuals through industry, perseverance, and skill and motivated by high patriotic purpose is able to achieve the highest distinction in a given field, it is certainly worthy of notice and commendation. The high-school band, of Medford, Mass., the largest city in my congressional district, is on a concert tour and is today in Washington, when the Nation's Capital will have an opportunity to hear this splendid 100-piece band under the supervision of Ralph I. Schoonmaker, director. This band was organized in 1930 and after the first 4 years began to win top ratings in high-school contests and now holds a first division rating in all State and sectional contests and is the first school band in New England. They played at the New York World's Fair in 1939 and at the international music festival in Montreal in 1946. The current tour is sponsored by Medford Band Parents' Association under the direction of Albert W. Wiltshire, chairman. During the tour the band gave a concert in New York when these accomplished young musicians were given the thrill of playing under the magical baton of the celebrated conductor, Edwin Franko Goldman, and they expect to play tonight at the Walter Reed Hospital to entertain the wounded veterans.

Accompanying the band are a number of the high-school teachers and parents. As evidence of the honor deemed appropriate to be bestowed upon the high-school band by the people back home in Medford, it is noteworthy that the mayor of Medford, Hon. Frederick T. McDer-

mott left his busy desk in city hall to accompany this musical organization of which all the people of Medford are so justly proud. I am sure my colleagues will join in the pride I feel at the signal accomplishments of these young people who are going to play so important a part in the making of the greater America which is to be.

EXTENSION OF REMARKS

Mr. O'TOOLE asked and was given permission to extend his remarks and include an editorial from the Brooklyn Tablet.

Mr. MACHROWICZ asked and was given permission to extend his remarks and include extraneous material.

Mr. YORTY asked and was given permission to extend his remarks in five instances and include extraneous matter.

Mr. HAYS of Ohio asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. BARTLETT asked and was given permission to extend his remarks and include an editorial.

Mr. RIBICOFF asked and was given permission to extend his remarks and include a message by Frazar B. Wilde.

Mr. REAMS asked and was given permission to extend his remarks and include extraneous matter.

Mr. ANGELL asked and was given permission to extend his remarks and include a newspaper article.

Mr. DONDERO asked and was given permission to extend his remarks in four instances and in each include extraneous matter.

Mr. SCRIVNER asked and was given permission to extend his remarks and include a newspaper article.

Mr. KEATING asked and was given permission to extend his remarks in two instances and include editorials.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include extraneous matter.

Mr. HALE asked and was given permission to extend his remarks and include an address by [Mr. HERTER].

Mr. HESELTON asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. SHEEHAN asked and was given permission to extend his remarks and include a newspaper article.

Mr. SABATH asked and was given permission to extend his remarks in two instances and in one to include an article referring to world war III.

Mr. DEANE asked and was given permission to extend his remarks and include an editorial.

Mr. ZABLOCKI asked and was given permission to extend his remarks and include an editorial.

Mr. HARRIS asked and was given permission to extend his remarks and include a message from Col. T. H. Barden.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on last Friday on the veterans' legislation, and also on the Tennessee Valley Authority, and to include extraneous matter in each one.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks and include a statement.

Mr. DOYLE asked and was given permission to extend his remarks in four instances and in each include appropriate material.

Mr. CAMP asked and was given permission to revise and extend his remarks on the bill H. R. 2084 and include a description of the bill.

ENROLLED BILLS SIGNED

Mr. STANLEY, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 321. An act to provide that on and after January 1, 1952, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash;

H. R. 576. An act for the relief of Fred E. Weber;

H. R. 591. An act for the relief of B. J. Scheuerman, Daniel Fuller, W. Hardesty, and John M. Ward;

H. R. 594. An act for the relief of Japhet K. Anvil and Howard A. Monroe;

H. R. 622. An act for the relief of Mrs. Oksana Stepanovna Kasenkina.

H. R. 632. An act for the relief of Janina Wojcicka, Wojciech Andrzej Wojcicki, and Stanislaw Wojcicki;

H. R. 664. An act for the relief of Mrs. Coral E. Alldritt;

H. R. 667. An act for the relief of Hildegard Dettling and Judith Ingeborg Dettling;

H. R. 714. An act for the relief of James A. G. Martindale;

H. R. 781. An act for the relief of Frederick Edmond Tomkins, Mary Ann Tomkins, and Edward Marshall Tomkins;

H. R. 789. An act for the relief of John Yan Chi Gee;

H. R. 859. An act for admission to the United States of Mrs. Margot Kazerski;

H. R. 887. An act for the relief of First Lt. Walter S. Moe, Jr.;

H. R. 889. An act for the relief of Lena Valsamis and Lucy Balosa Valsamis;

H. R. 890. An act for the relief of Athina Mary Onassis;

H. R. 891. An act for the relief of Mary Valsamis Dendramis and Vassili G. Dendramis;

H. R. 898. An act for the relief of Gunter Arno Thelemann;

H. R. 1101. An act for the relief of Mrs. Sadako Kawamura Lawton;

H. R. 1111. An act for the relief of Taro Takara;

H. R. 1117. An act for the relief of Kimiko Shibuya;

H. R. 1121. An act for the relief of Chin Yok Kong;

H. R. 1141. An act for the relief of St. Patrick Hospital and the Western Montana Clinic;

H. R. 1150. An act for the relief of Mario Pucci, Giacomo Favetti, Giuseppe Omati, Vincenzo Andreani, Lambruno Sarzanini, and Alessandro Costa;

H. R. 1164. An act for the relief of Pietro Giannettino;

H. R. 1263. An act for the relief of Dr. Chia Len Liu;

H. R. 1264. An act for the relief of Jacquelyn Shelton;

H. R. 1421. An act for the relief of Dr. Fernand Van Den Branden;

H. R. 1422. An act for the relief of Carl Parks;

H. R. 1438. An act for the relief of Mrs. Ingeborg Ruth Sattler McLaughlin;

H. R. 1451. An act for the relief of Charles R. Keicher;

H. R. 1475. An act for the relief of Elena Erbez;

H. R. 1798. An act for the relief of the estate of Yoshio Fukunaga, deceased;

H. R. 2068. An act for the relief of Sook Kat;

H. R. 2175. An act for the relief of Addie Dean Garner Scott;

H. R. 2304. An act for the relief of Bernard F. Elmers;

H. R. 2357. An act for the relief of Lucia Adamos;

H. R. 2450. An act for the relief of Concetta Santagati Giordano;

H. R. 2654. An act to amend section 10 of Public Law 378, Eighty-first Congress;

H. R. 2714. An act for the relief of Marcelle Lecomte;

H. R. 3196. An act to amend section 153 (b) of the Internal Revenue Code;

H. R. 3291. An act to amend subdivision a of section 34 of the Bankruptcy Act, as amended; and

H. R. 3292. An act to amend subdivision a of section 55 of the Bankruptcy Act, as amended.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 8, 1951, at 12 o'clock noon.

OATH OF OFFICE, MEMBERS AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members and Delegates of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes of the United States and being as follows:

"I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by each of the following Members of the Eighty-second Congress, pursuant to Public Law 412 of the Eightieth Congress entitled "An act to amend section 30 of the Revised Statutes of the United States" (U. S. C., title 2, sec. 25), approved February 18, 1948:

JOHN C. WATTS, Sixth District, Kentucky.

CLAUDE I. BAKEWELL, Eleventh District, Missouri.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

437. A letter from the Comptroller General of the United States, transmitting a report on the audit of Reconstruction Finance Corporation and its wholly owned subsidiary Federal National Mortgage Association for the fiscal year ended June 30, 1950 (H. Doc. No. 125); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

438. A letter from the Assistant Secretary of Agriculture, transmitting a statement of

research work being performed under contracts or cooperative agreements, showing the names of the agencies cooperating and the amounts expended thereon, pursuant to the Research and Marketing Act of 1946, approved August 14, 1946, Public Law 733; to the Committee on Agriculture.

439. A letter from the Assistant Secretary of the Interior, transmitting at the request of Governor Stainback of Hawaii, a certified copy of joint resolution 2, requesting the enactment of legislation requiring Federal departments to withhold Territorial taxes upon compensation on the same basis as Territorial departments and political subdivisions of the Territory; to the Committee on Ways and Means.

440. A letter from the Attorney General, transmitting copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence filed by the subjects of such orders, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

441. A letter from the Secretary, Federal Prisons Industries, Inc., United States Department of Justice, transmitting the annual report of the Directors of Federal Prison Industries, Inc., for the fiscal year 1950, pursuant to the act approved June 23, 1934 (18 U. S. C. 4127); to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VAN ZANDT:

H. R. 3991. A bill relating to the annual adjustment of the basic pay of members of the uniformed services; to the Committee on Armed Services.

By Mr. GOODWIN:

H. R. 3992. A bill to grant pensions to certain veterans of the War With Spain, the Philippine Insurrection, or the China Relief Expedition who served less than 70 days; to the Committee on Veterans' Affairs.

By Mr. HUGH D. SCOTT, JR.:

H. R. 3993. A bill to provide for the issuance of bonds of the United States in compensation for certain annual leave accumulated by Government officers and employees; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 3994. A bill to amend the definition of "agriculture" as contained in section 3 (f) of the Fair Labor Standards Act of 1938, as amended; to the Committee on Education and Labor.

By Mr. COLMER:

H. R. 3995. A bill to authorize the Secretary of Commerce to transfer to the Department of the Navy certain land and improvements at Pass Christian, Miss.; to the Committee on Merchant Marine and Fisheries.

By Mr. JONES of Alabama:

H. R. 3996. A bill to amend the Veterans' Regulations to provide that malignant tumors developing a 10 percent or more degree of disability within 5 years after separation from active service shall be presumed to be service-connected; to the Committee on Veterans' Affairs.

By Mr. KLEIN:

H. R. 3997. A bill to increase the normal tax and surtax exemption, and the exemption for dependents, from $600 to $1,000; to the Committee on Ways and Means.

By Mr. NORRELL:

H. R. 3998. A bill to amend subsection 602 (j) of the National Service Life Insurance Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. BENNETT of Florida:

H. R. 3999. A bill to provide for the conveyance of a portion of the federally owned lands which are situated within Camp Blanding Military Reservation, Fla., to the Armory Board, State of Florida, and for other purposes; to the Committee on Armed Services.

By Mr. RANKIN:

H. R. 4000. A bill to amend subsection 602 (f) of the National Service Life Insurance Act of 1940, as amended, to authorize renewals of level premium term insurance for successive 5-year periods; to the Committee on Veterans' Affairs.

By Mr. McCORMACK:

H. J. Res. 254. Joint resolution to provide for investigating the feasibility of establishing a coordinated local, State and Federal program in the city of Boston, Mass., and general vicinity thereof, for the purpose of preserving the historic properties, objects, and buildings in that area; to the Committee on Interior and Insular Affairs.

By Mr. MITCHELL:

H. J. Res. 255. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Japanese Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. ROGERS of Florida:

H. Con. Res. 101. Concurrent resolution urging the General Assembly of the United Nations to take action with respect to placing an arms embargo on Communist China, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. GOODWIN: Memorial of Massachusetts Legislature in favor of the passage of legislation revising the laws relating to immigration, naturalization, and nationality; to the Committee on the Judiciary.

Also, memorial of Massachusetts Legislature for Congress to enact legislation to authorize the waiving of certain requirements of the naturalization laws in the case of persons whose sons or daughters have served in the Armed Forces of the United States; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts favoring passage of legislation revising the laws relating to immigration, naturalization, and nationality; to the Committee on the Judiciary.

Also, memorial of the General Court of Massachusetts favoring enactment of legislation to authorize the waiving of certain requirements of the naturalization laws in the case of persons whose sons or daughters have served in the Armed Forces of the United States; to the Committee on the Judiciary.

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, relative to enacting legislation authorizing organization of a Hawaii Territorial Guard prior to the Hawaii National Guard being called into active Federal service; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRYSON:

H. R. 4001. A bill for the relief of Dr. Manuel Magtalis Geronimo and Dr. Rita Villaroman Geronimo; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H. R. 4002. A bill for the relief of Sandra E. Dennett; to the Committee on the Judiciary.

By Mr. SCHWABE:

H. R. 4003. A bill for the relief of L. E. Lewis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

275. By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress in favor of the passage of legislation revising the laws relating to immigration, naturalization, and nationality; to the Committee on the Judiciary.

276. Also, resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to enact legislation to authorize the waiving of certain requirements of the naturalization laws in the case of persons whose sons or daughters have served in the Armed Forces of the United States; to the Committee on the Judiciary.

277. By Mr. LANTAFF: Concurrent resolution by the Senate of the State of Florida, requesting the Congress of the United States to disregard house memorial No. 15 adopted by the Florida Legislature in 1943, and house concurrent resolution No. 10 adopted by the 1945 legislature, and senate memorial No. 282 adopted by the 1949 legislature, thus rescinding, recalling and revoking the aforesaid memorials from the State of Florida for the convening of a constitutional convention, as provided by article V of the Constitution of the United States of America, the subject matter of said memorials being to initiate and adopt an amendment to the Constitution of the United States of America, whereby the United States of America might participate in a limited world federal government; to the Committee on the Judiciary.

SENATE

TUESDAY, MAY 8, 1951

(Legislative day of Wednesday, May 2, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Leland Stark, rector of the Church of the Epiphany, Washington, D. C., offered the following prayer:

O God our Heavenly Father, from whose bountiful hand has come every good gift, we thank Thee that Thou hast given us this good land for our heritage, and we pray Thee that, ever mindful of Thy favor, we may show forth our thankfulness to Thee by an eagerness to know and to do Thy will.

To that end give us the grace to acknowledge that in this time of crisis and uncertainty we need the help of Thy guidance. Give us the spirit of humility that, honestly confessing the inadequacy of our human wisdom and power, we may boldly ask for that supplement of divine wisdom and power which Thou alone canst give.

And so with confidence in Thy help we now commit ourselves and our Nation into Thy gracious keeping, beseeching Thee that Thou wouldst be pleased to use us as instruments of Thy will for the welfare of Thy people everywhere.

These things we pray in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 7, 1951, was dispensed with.